

هيئة الأوراق المالية  
Jordan Securities Commission



2006

Annual Report

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**His Majesty King Abdullah II bin Al-Hussein**

An administration capable of achieving objectives at lower cost and in less time is a judicious administration that is based on specialized and effective institutions acting with team spirit under efficient leaderships marked by integrity, placing public interest overall other considerations. It is one that is characterized by justice, initiative, and creativity, focusing on fieldwork and face problems before they arise and before they become too complicated to solve. It avoids deviation, frivolity, exploitation, and favouritism. Public administration needs to be restructured to prevent overlap, conflict, and duplication, and to select leaderships and staff on the basis of efficiency, experience, and integrity, without favouritism, clique-formation or fanaticism to any aim or party.

March 4, 1999



### Vision

The Jordan Securities Commission aims to upgrade the performance of the National Capital Market to the level of advanced international capital markets in order to create an environment supportive of saving and investment that is marked by transparency, efficiency, and the rule of law.

### Mission

The Jordan Securities Commission seeks, in the context of its contribution to consolidate confidence in the national economy, encourage investment and protect investors, to regulate and oversee the national capital market by modernizing legislation, enhancing disclosure, continuous human resources development, keeping pace with technical developments, and applying the latest international capital market standards and practices.









## Board of Commissioners of the Jordan Securities Commission



**Dr. Bassam Khalil Saket**  
Executive Chairman



**Dr. Ahmad Hassan Mustafa**  
Deputy Chairman



**Mr. Mohamed A. Tash**  
Commissioner



**Mr. Bassam Jamal Asfour**  
Commissioner



**Dr. Abderrazaq H. Bani Hani**  
Commissioner



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# Chairman's Message

## Chairman's Message

### In the Name of Allah, the Most Compassionate, the Most Merciful

In line with its supervisory and regulatory role as the regulator of the national capital market, the Jordan Securities Commission (JSC) continued its efforts aiming to develop the national capital market, enhance the protection of investors in securities, and take all measures to uphold the supremacy of the law and enhance confidence in the market, in a manner that would achieve fairness, efficiency, and transparency in the market. The JSC also followed up on the implementation of projects defined in its strategy approved by the Council of Ministers as a long term plan. The year 2006 witnessed the implementation of a number of these projects.

**Legislation:** The JSC issued a number of legislations, mainly the Instructions of Subscription Rights that aim to enhance investors' protection and to develop and deepen the market by providing new type of securities that enable the investor to sell his subscription right if he is not willing to practice this right for any reason. These Instructions also enable the issuing company to sell unsubscribed shares and to transfer the proceeds of the sale to the interest of the investor if he is unable to subscribe or sell his subscription right.

To enable public shareholding companies to buy their shares through a mechanism that deepens the market and enhances its protection, the JSC issued the Instructions on Public Shareholding Companies Stocks Buy-Back. The Instructions define the conditions and procedures that should be fulfilled by the company that intends to buy its own shares. The JSC also issued the Margin Financing Instructions, which aim to regulate the process of lending by the broker to his client for the purpose of investing in securities within a legislative and regulatory framework that enhances the financial position of financial brokerage companies. These Instructions defined the conditions that the financial broker must fulfil in order to acquire a license to practice margin financing, and defined the ceiling of permissible margin financing to clients, and the total financing permitted for a single security.

In order to enhance disclosure of information for investors, the JSC Board of Commissioners took a decision to disclose the ownerships in securities of board members of companies listed on the Amman Stock Exchange (ASE), and any changes to these ownerships immediately on the websites of the JSC, the ASE and the Securities Depository Centre (SDC). It should be noted that disclosure by the JSC and the capital market institutions does not exempt the companies' board members from the duty to disclose their ownerships in accordance with relevant legislations.

The Board of commissioners has also decided recently that when a privately owned company is transformed into a public shareholding company, shareholders of equity capital of the latter will be treated as founders of the newly established company, i.e. shares of such a company are barred from trading on the ASE for two years.



The JSC also issued a number of internal instructions and bylaws, including Employees' Saving Fund Instructions, the Organizational Structure Instructions, the Unclassified Employees Instructions, Employees Regulation, and Supply Regulation.

In addition, the JSC Board of Commissioners approved a number of legislations that regulate the activities of the ASE and SDC, most notably the Internal By-Law of the Settlement Guarantee Fund of the SDC, the ASE Employees' Medical Care Instructions, and the Listing Securities on the ASE Instructions.

**Corporate Governance:** The JSC considers that one of the most important developments in the market that aims to provide greater protection for investors was the preparation of a corporate governance code for companies listed on the ASE. The code aims to create a specific framework that regulates relationships in listed companies, and defines the rights and duties within these companies, in a manner that enables them to achieve their objectives and protects the rights of stakeholders. The draft code was prepared based on a number of legislations, mainly the Securities Law and related regulations, and the Companies Law. It was also based on international principles issued by the Organization of Economic Cooperation and Development (OECD), the recommendations of the World Bank and the experts of the National Association of Securities Dealers of the U.S. To ensure wider national participation in the consultation process, the draft code was published on the JSC's website, and sent to all parties concerned which were invited to send their comments and feed back. The JSC will study these comments and feed back and will take them into account in the final draft of the code.

**The Jordan National Financial Centre:** In line with His Majesty King Abdullah's vision to enhance Jordan's position as a distinguished financial centre, the JSC and the capital market institutions have started working on the establishment of the Jordan National Financial Centre, which will be a high-end regional financial centre and a compound for the different institutions and financial companies working in the market, providing all the facilities needed in an attractive and secure environment in accordance with international standards, using the latest techniques applied in advanced financial markets. The Centre will house the ASE, the SDC, in addition to a specialised regional training centre in financial professions and services to function as a local and regional training institute. An agreement was signed with a local company for the management of the Financial Centre building project. It is scheduled to start construction work in the middle of year 2007.

**Licensing Financial Services:** The JSC granted 11 new companies licenses to perform a number of financial services that include brokerage, investment management, investment trusteeship, and management of primary issues. 21 operating financial service companies were also granted new licenses to practice a number of financial services. In addition, 246 licenses of registration were granted to 228 natural persons to perform the activities of financial broker, investment manager, financial advisor, underwriter, and custodian.

**Supervision:** During the year 2006, the JSC continued to monitor the compliance of parties under its supervision and took the appropriate measures against violators. 318 violations were recorded, 168 of which were rectified by the violating parties who complied with the requirements of the law. The remaining violations are being followed up.

**Arab and International Cooperation:** The JSC continued to reinforce its presence and role on the Arab and International levels through cooperation and exchange of information and expertise with Arab and International organizations, in a manner that serves its objectives, to keep abreast with developments related to its work, and to promote the national capital market. The JSC also continued its active and effective role in the International Organization of Securities Commissions (IOSCO), taking part in its meetings and activities. During its annual conference held in Hong Kong, the JSC was re-elected as a member of the IOSCO Executive Committee and as Vice Chairman of the Emerging Markets Committee, positions that the JSC has held since 2002. In this context, one of the most important developments on the Arab level was the JSC's



effective contribution to the realization of the idea of the Arab Union of Securities Commissions. The JSC played a major role in the consultations and preparatory meetings, and contributed through its membership in the technical committee that comprised five Arab countries, in drawing the charter and the by-law of the Union. The establishment of the Union will be officially announced during January 2007. Moreover, two additional memoranda of understanding were signed during 2006, with the UAE Securities and Commodities Commission and the Securities Commission of China. The two MoUs aimed to create a framework for cooperation and the exchange of information and expertise with these two supervisory authorities, in order to enhance investor protection and develop the capital markets of Jordan, the UAE, and China. The JSC also received a number of Arab and foreign delegations who visited the Commission to expand their cooperation and coordination with the JSC, and to acquaint themselves with Jordan's experience in the sphere of restructuring the national capital market.

**Public Awareness and Investor Education:** In the area of promoting public awareness and investor education, the JSC continued its efforts to disseminate necessary information to the public through its website and its clear announcements on the site. It organized a number of activities that included the launching a public awareness campaign using the media, bulletins, lectures, and specialized seminars. The JSC's efforts and contacts aiming to spread awareness in local universities have met with success. A number of national universities have started to include in their syllabuses subjects related to investment in securities and the national capital market, its legislations, and its institutions. In addition, the Commission has decided to create a chair at Jordanian universities to attract specialists from abroad to teach legislations and the culture of investment in the capital market. The chair, which has an independent board of trustees, will be financed through contributions from the JSC and the national capital market institutions. The JSC also disseminated pamphlets and educational materials, specialized seminars, and organized a number of lectures and meetings with a number of civilian and military national institutions and received a number of student delegations.

**The ASE Performance:** The ASE, like most Arab stock exchanges, witnessed a corrective movement that led to a decline in share prices and some performance indicators. The General Share Price Index dropped by 33% at the end of the year, compared with 2006. Despite the decline in these indicators, a number of positive indicators were registered. The value of shares issued in 2006 reached JD 2.4 billion, which was the highest since the establishment of the Amman Financial Market in 1978. Moreover, the non Jordanians ownership in the market capitalization of the ASE exceeded 45%, of which 35% belonged to Arab investors.

In closing, I would like to thank my colleagues on the JSC Board of Commissioners and all the JSC's staff for their professionalism and efforts that they exerted in fulfilment of their duties and the objectives of the JSC to upgrade the national capital market, in order to enhance the national economy and contribute to the realization of the higher national goals, following the lead of His Majesty King Abdullah II bin Al-Hussein, may God protect, who works with a total commitment and in full determination to keep Jordan strong and dignified, and to bring progress and prosperity to his faithful people.

May God protect our precious Jordan  
and protect our beloved King Abdullah II bin Al-Hussein.

Executive Chairman  
Dr. Bassam Saket

Chairman's Message



## Securities Commission

### Legal Status

The Jordan Securities Commission (JSC) was established in accordance with the Securities Law No. 23 for the year 1997. It is a legal entity linked directly to the Prime Minister, and enjoys financial and administrative autonomy. The Commission was established to protect investors in securities and to regulate and develop the capital market to ensure fairness, efficiency and transparency, and to protect it from any possible danger.

### JSC Administration

The JSC is directed by a Board comprising five full-time qualified commissioners, including the Chairman and his Deputy who are experienced specialists in this field. Commissioners are appointed for a five-year term renewable once, by a decision of the Council of Ministers, based on a recommendation by the Prime Minister. The appointment is endorsed by a royal decree. The Chairman is the chief executive officer of the Commission; as such, he authorizes expenditure, executes policies, and is responsible for the JSC's administration.

The Board of Commissioners is assigned a number of tasks intended to fulfil the goals for which the Commission was established, which include drafting legislation and regulations, issuing instructions, approving bylaws and instructions of the ASE and SDC, granting licenses to financial services companies and capital market registered persons, approving the registration of securities and mutual funds, and adopting standards of accounting, auditing, and performance evaluation, which all parties subject to the supervision of the Commission must follow.

### Supervision

The following are subject to the supervision and oversight of the JSC: securities issuers, licensed financial service companies, capital market registered persons, the ASE and SDC, mutual funds, and investment companies.

### Board Meetings

The Securities Law stipulates that the Board should meet at least once a month, and whenever the need arises. In 2006, the board held 61 meetings. A meeting is in quorum if attended by not less than four commissioners who must include the Chairman or his Deputy. Decisions are taken by a majority of at least three votes by members present at the meeting, and commissioners are not allowed to abstain. If a commissioner objects to a decision, he should express his objection in writing and sign it.

Jordan Securities Commission is a supervisory government institution, have legal personality with financial and administrative autonomy, whose aim is to protect investors in securities, regulate, develop and supervise the national capital market.



## Board Decisions

During 2006, the Board held 61 meetings and adopted 679 decisions.

Below is a brief description of these decisions:

Subject	No.of Decisions
Studying and approving legislation to regulate the capital market	24
Approving the prospectuses and registration of securities (shares and bonds) and covering shares that are not covered by subscription	195
Granting or revoking licenses to financial services companies	44
Registering natural persons to provide financial services	61
Reviewing the ASE and SDC boards decisions	25
Taking measures against violators of the Securities Law and related regulations (notification of the violation, imposing fines, suspending licenses, and reviewing appeals)	196
Administrative and financial decisions related to the internal affairs of the Commission	45
Miscellaneous	89
<b>Total</b>	<b>679</b>

## Dealing with Violations

When a violation occurs, the Commission reviews it and addresses a notification to the violating party, which is given a grace period to present its case either in person or in writing within one week from the date of notification. The Board of Commissioners then, studies the explanation provided according to which it decides either to accept the reply or to take the necessary action against the violating party. The Commission also has the right to refer the violating party to court within a period not longer than two weeks from the date of notification of the Board's decision. For the purposes of documenting and processing violations, the JSC keeps a records of all the parties under its supervision. Violations are recorded in the violating party's record. The nature and frequency of these violations are taken into consideration when the violating party requests licensing or registration to practice new financial services. The Commission has the right to exchange this and other information with international supervisory bodies.

The JSC's Commissioners must serve on a full-time basis, and shall not practice any other profession or assume any other job, including occupying ministerial post, being a member of the parliament, occupying any other post or job in the Government, an official public institution, a municipality, or any company or corporation.

The Commission may conduct any investigation, inspection or audit that it deems necessary to implement the provisions of the Law and protect investors.



## Personnel

JSC Personnel numbered 152 at the end of 2006. Their distribution by level of education and gender is shown in the table below:

Distribution of JSC Personnel by Level of Education and Gender

	Male	Female	Total
PhD	1	1	2
Master	21	8	29
Higher Education Diploma	2	1	3
BA/ BSc	32	31	63
Community College Diploma	5	5	10
Secondary School	4	13	17
Below Secondary School	28	0	28
Total	93	59	152

## Public Service Office

The JSC has established a public service office to provide the necessary services to investors and other parties interested in the capital market. The Office provides information and reports on the national capital market, its institutions, and its financial reports and regular bulletins related to the companies listed on the ASE. The Office also receives complaints from investors. A special committee at the JSC studies and investigates these complaints aiming at resolving problems that caused these complaints.

## Upgrading Electronic Systems

With the aim to enhance the work efficiency, the JSC works constantly to develop and upgrade its systems. The principal developments in 2006 were the following:

- Cooperating with the Ministry of Planning and International Cooperation, with financing from the European Commission, to procure two new systems: the first for electronic trading at the ASE that complies with the latest international standards and could be linked with the electronic system at the SDC. The other is a surveillance system for monitoring trading at the ASE, which aims to provide instantaneous information on trading.
- Starting work on upgrading the JSC website to be an interactive site in a manner that enables it to provide electronic services to its users, facilitates the completion of daily processes for those who deal with the JSC, and offers information on the national capital market.
- Developing an MIS system to enhance inter-connection between the various departments at the JSC and to facilitate the production of reports.





## Legislation and Measures Regulating the Capital Market

The JSC enacted a number of regulations and measures to regulate the capital market, mainly:

### A. Instructions of Trading in Subscription Rights

These Instructions aim to protect investors and safeguard their rights, and to enhance market depth by providing a new instrument for trading, by enabling shareholders to sell their subscription rights if they do not wish to practice this right for any reason.

#### The main features of these Instructions were:

1. Defining the subscription right as the right of shareholders of an issuing company to subscribe in the capital increase shares to be issued by the company through private placement directed to its existing shareholders.
2. Enabling the company's shareholders who do not wish to subscribe in the capital increase shares to sell their subscription right at the ASE.
3. If any shareholder did not choose to practice their right to subscribe, the Instructions grant the issuing company the authority to sell shares that are not subscribed through the ASE, and to record the resulted net revenue to these shareholders.
4. The number of subscription rights must be equal to the number of shares to be issued through capital increase.
5. The prospectus for the issuance of the capital increase shares is considered the prospectus for the issuance of subscription rights, once it includes the information related to these rights.

### B. Margin Financing Instructions

These Instructions aim to regulate the process by which the broker provides partial financing to investors in securities, in accordance with a legislative and regulatory framework that enhances the soundness of the financial positions of the brokerage companies.

#### The most important features of these Instructions are:

1. Specifying the conditions that the financial broker must fulfill to be granted a license to practice margin financing, which include:
  - a. That he should not have committed any substantial violations to the Financial Adequacy Instructions during the six months preceding the date of submitting his application.
  - b. That he should have the technical and administrative abilities needed to practice margin financing.
2. The limits of margin financing, which include:
  - a. That the ceiling of margin financing should not exceed 250% of the net owner's equity of the broker.
  - b. The sums of margin financing given to any client should not exceed 10% of the net owner's equity of the broker or one JD million, whichever is lower.
3. Identifying cases where the JSC Board of Commissioners has the right to ask the broker to desist from any additional financing or to refrain from providing additional financing or opening any margin financing accounts for new clients or from buying any securities that are marginally financed.
4. Rules and standards for calculating maintenance margin for each account, including the provision that the broker should calculate the maintenance margin on a daily basis, and that he should request the client to immediately cover any drop in the margin from the permissible limit.
5. Defining items that should be included in a margin financing agreement, which include all interest payments and commissions that the broker receives, and the client's right to receive all profits and interest payments on their due date.

Any person who sells securities by public offer without an effective prospectus shall be considered in violation of the provisions of the Securities Law.



### C. Instructions on Public Shareholding Companies Stocks Buy-Back "Treasury Stocks"

The Instructions define the conditions and procedures that must be observed by companies that intend to buy-back their shares, which include the following:

1. The number of shares to be bought should not exceed 5% of the total number of subscribed shares. The JSC's approval should be sought to exceed this limit, on condition that the number of shares to be bought then should not exceed 10% of the total number of the subscribed shares.
2. The sum allocated for the purchase should not exceed the company's retained earnings and reserves.
3. The purchase should be done through the ASE, on condition that the daily volume of buying should not exceed 2% of the total number of subscribed shares, and that the purchase should be completed within 30 days.
4. The holding period of shares is set at 6 months from the date of the first purchase, and up to 18 months. The company should not issue any securities during this period.
5. The company that wishes to sell treasury stocks must inform the JSC in advance about the sale and its due date, and must publish its intention to sell these shares in at least two dailies.

### D. Disclosure of the Ownerships of Public Shareholding Companies Board Members

With the aim to enhance disclosure of information to investors in the market in order to make their informed decision, the JSC Board of Commissioners decided that board members of public shareholding companies should disclose their ownerships of shares of companies listed on the ASE and any change that occurs in these ownerships immediately on the websites of the capital market institutions.

### E. Considering Equity Capital of Companies that Change their Legal Status to Public Shareholding as Founding Shares

To enhance the protection of investors in companies that change their legal status to public shareholding companies, the JSC Board of Commissioners decided that equity capital of companies that change their legal status to public shareholding companies shall be considered as founding shares as of the date of their registration with the JSC. Shares of such a company are barred from trading on the ASE for two years. This would ensure that the company's shareholders continue to bear their responsibilities during this period. It also enables the company to issue information and financial reports about its performance and financial position for at least two consecutive years before shareholders are allowed to sell them to other investors.

Another important development on the legislative level was the preparation of the draft corporate governance code for companies listed on the ASE, which will be discussed later in this report. In addition, the Board of Commissioners approved a number of legislations that regulate the activities of the ASE and SDC, most notably the Internal By-Law of the Settlement Guarantee Fund of the SDC, the ASE Employees' Medical Care Instructions, and the Listing Securities on the ASE Instructions.

Submitting false or misleading data in any document filed with the commission shall be regarded as a violation of the provisions of the Securities Law.



## The Draft Corporate Governance Code for Companies Listed on the Amman Stock Exchange

In light of its belief in the importance of the existence of a code of corporate governance for companies listed on the ASE, and in line with its objective to develop the national capital market and its legislative and regulatory framework, the JSC, in cooperation with capital market institutions, prepared the draft corporate governance code for companies listed on the ASE, in order to place a clear framework that regulates relations and administration in these companies and defines rights, duties and responsibilities in a manner that enables the companies to achieve their objectives and safeguards the rights of stakeholders.

This code is primarily based on a number of legislations, mainly the Securities Law and related regulations, and the Companies Law, in addition to the international standards issued by the Organization of Economic Cooperation and Development (OECD) and the recommendations of experts from the National Association of Securities Dealers (NASD) of the USA.

The preparation of this draft code came after the JSC invited the World Bank to conduct an assessment of the level of implementation of corporate governance principles and related laws in force in Jordan. The World Bank conducted the assessment and submitted a report that included specific conclusions and recommendations. The report indicated that Jordan's corporate governance framework compares well in many areas and the principles are broadly implemented and governed by articles dispersed in a number of legislations, mainly the Securities Law and the related regulations, and the Companies Law. The report included a number of steps that could be taken to enhance corporate governance in Jordan. The report also stated that Jordan's level of implementation of corporate governance principles is advanced and above the international average.

The JSC plans to implement this code through the "Comply or Explain" approach, meaning that companies either comply with the provisions of the code or, should they fail to comply with any of these provisions other than those based on provisions in any of the laws in force that makes them binding under liability, then the company should explain the reason for its non-compliance clearly in the company's annual report. This method was chosen because it gives the companies flexibility in implementation and adequate time to adjust with the requirements of the code, which would enhance awareness of these rules and achieve full compliance gradually.

The draft code comprises five chapters. The first consists of definitions related to the code rules. The second entitled "The Company's Board of Directors". It defines the general regulatory framework of the board's activities, duties, and responsibilities in detail. It reviews the committees formed by the board, mainly the nominations and compensation committee, and the audit committee. It also specifies the duties and activities of these committees. The third chapter addresses the company's general assembly and its meetings, and the duties of the company's administration towards shareholders to enable shareholders to participate effectively, exercise their rights, and offer them information they need. The fourth chapter addresses the general rights of shareholders within the authority of the general assembly. The final chapter addresses disclosure and transparency, the reports and information the company must disclose, and the duties and responsibilities of the audit committee, as well as rules related to the external auditor, his duties, and responsibilities.

The code contained a number of new concepts and applications that were not provided for in any of the legislations in force, which makes it necessary to review and amend a number of these laws. Among the most important of these concepts are those of the independent member of the board of the shareholding company, the recommendation to adopt the cumulative vote in board elections mainly to enhance the protection of minority shareholders, the concepts of stakeholders and related party transactions, the prohibition of combining the posts of chairman of the board and any executive post in the company, and the obligation on the board to form permanent committees which are the audit committee, and the nominations and compensations committee.

The JSC hopes that the administrations of companies listed on the ASE and all stakeholders would work to comply with the code, in a manner that would deepen confidence in these companies by enhancing the performance of their administrations and protecting the rights of all stakeholders, and in turn enhance the performance of and raise confidence in the national economy and in the investment climate. The JSC published the draft code on its website and sent it to stakeholders including government organizations, public shareholding companies, financial services companies, academics, auditors, and others, seeking their comments and feedback.



## The Jordan National Financial Centre (JNFC)

In line with His Majesty King Abdullah's vision to enhance Jordan's position as a distinguished financial centre and as part of its efforts to enhance the investment climate in the Kingdom, the JSC took the necessary steps to establish the Jordan National Financial Centre, which will be a high-end regional financial centre and a compound for the different institutions and financial companies working in the market, providing all the facilities and services needed for all market participants in an attractive and secure environment in accordance with international standards, using the latest electronic systems and techniques applied in advanced financial markets.

The building, which will be built on the land adjacent to the present headquarters of the capital market institutions, will house the institutions working in the national capital market, offices for financial services companies, training halls, and a special hall for investors which will be equipped with the necessary equipments, display screens, and communications networks that enable investors to monitor trading activities.

The building will also house the capital market training institute which will provide its services on the regional level. The JSC is working to establish this institute according to the latest international standards in cooperation with a number of international organizations including the NASD, with the aim to create new financial services and upgrade the professional and academic levels for financial services professionals on the local and regional levels. The institute will also offer degree certificates internationally recognized to financial services providers.

On June 22, 2006, the JSC signed on behalf of capital market institutions an agreement for the management of the building project with a local company. According to the agreement, the contractor will carry out the construction management which includes the preparation of the blueprints, oversight, implementation, selection of architecture firms capable of designing this building in accordance with international standards, coordinating with specialized centres to prepare the necessary studies to introduce advanced technology to the various systems of the building, and follow up on the construction until the completion of the project.

This project comes as an implementation of one of the most important projects and programs in the Strategy for Promoting Investments in the national capital market, which was prepared by the JSC and approved by the Council of Ministers at the end of 2004. It also comes as part of the JSC's projects and programs to implement the recommendations of the national agenda.





## Issuance

Companies in general seek to raise their capital or to issue bonds in order to raise the necessary funds to finance their projects and plans. The JSC is the official organization authorized to regulate the process of issuing new shares and bonds by public shareholding companies. The issuer of securities must register them with the Commission. This registration is the official documentation of these securities, which are then registered to their owners at the SDC and listed on the ASE for trading.

When offering shares for public subscription, the issuer is required by the Securities Law and related regulations to prepare and submit to the JSC a prospectus that contains all information and data that enable the investor to make an informed investment decision. The prospectus is the reliable source of information for investors regarding the securities to be issued. It is also the first disclosure by the issuer.

Upon submission of the prospectus to the JSC, the Board of Commissioners may consider it effective if it meets the provisions of the Securities Law and related regulations. The Board also has the right to reject or suspend the effectiveness of the prospectus if it proves to contain incorrect, inaccurate, misleading, or incomplete data or if it does not contain material information that would help the investor make his informed investment decision, or if it contains information that is presented in such a way that makes other information in the prospectus incorrect, inaccurate, or misleading.

If the prospectus contains incorrect data related to material information or if such information has been omitted, the issuer and any other signatory of the prospectus are considered in violation of the Securities Law. For the prospectus to be complete, the Law requires that it must be signed by the issuer's chairman of the board of directors or by the managing director or CEO and the financial director of the issuer, as well as a majority of the founders or a majority of the members of the board of directors, or a majority of the partners in a limited liability partnership, in addition to the issuing director, and the auditor who approved the financial statements.

In 2006, the Commission approved 52 prospectuses after studying them to ensure that they fulfil all the requirements of the Securities Law and the Disclosure Instructions. Of these, 50 were for issuing shares and 2 were for bonds issued by public shareholding companies. It should be noted that the Board of Commissioners may exempt issuing companies from submitting a prospectus in specific cases defined by the Securities Law.

Forty three public shareholding companies issued new shares to raise their capital through private subscription by the existing shareholders or specific investors, or by capitalization of the companies' debts and converting them to shares registered with the Commission. In the period ending 31 December 2006, the number of shares offered reached 547 million shares, at a value of JD 1,947 million, of which 535 million shares were covered (i.e. 98%), at a value of JD 1,930 million, compared with 64 public shareholding companies that raised their capitals by JD 691 million in 2005, a rise of 182% (Annex1, Table 1). Seventeen companies covered shares registered in previous years which amounted to 5.7 million shares at a value of 17 million Jordan Dinars (Annex1, Table 2). In 2006, the total number of shares covered reached 541 million shares at a value of JD 1,947 million.

It is worth noting that the year 2006 witnessed the establishment of new public shareholding companies, while a number of companies changed their legal status from limited liability companies to public shareholding companies. Eighteen new public shareholding companies were registered, which issued 406.5 million shares at a value of JD 407 million (Annex1, Table 3), compared with 7 companies in 2005, with a capital of JD 54.7 million. Regarding companies that changed their legal status from limited liability companies to public shareholding companies, 7 companies underwent this change with a capital of JD 58 million, compared with 13 companies in 2005, with a capital of JD 103.5 million. It should be noted that Al-Jamil General Investment Co. raised its capital on changing its status (Annex1, Table 4).

Every public shareholding company established in the Kingdom, and every public issuer in the Kingdom, is required to apply for listing of its outstanding securities for trading on the market.



Fifty six companies raised their capital by issuing stock dividends through the capitalization of voluntary reserves, retained earnings, or issue premium or part of it. The number of shares issued reached 331 million shares, compared with 54 public shareholding companies that raised their capital by JD159 million in 2005. Stock dividends are distributed to the company's shareholders on a pro rata basis (Annex1, Table 5).

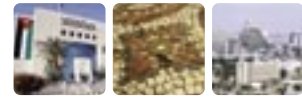
Regarding the issuance of bonds by public or private shareholding companies, there were 16 issuances by the Jordan Company for Mortgage Refinance with a value of JD 546 million, of which 65.750 million were covered, compared with 12 issuances in 2005 with a value of JD 60.6 million (Table 6). Bonds issued or guaranteed by the Government reached JD 843 million, compared with JD 614 million, in 2005 (Annex1, Table 7).

### Mutual Funds

Mutual Funds Instructions defined the conditions and procedures for the establishment of mutual funds, their activities, and the obligations of these funds. Currently, four open-end Jordanian mutual funds are registered under the supervision of the JSC: Jordinvest First Trust Fund, Growth Fund for Financial Investments, The Fund of the Housing Bank for Trade and Finance/ Jordanian securities, and Horizon Fund –Export and Finance Bank.

Since these mutual funds are open-end funds, they are registered with the JSC, but they are not listed at the ASE. Their investment units are traded through a direct relationship between the investor and the fund. The fund issues any number of investment units to investors who wish to buy, and it remains ready to redeem any number of these units that investors wish to sell. Investment units of mutual funds are traded on the basis of the fund's net assets value on the date of sale or purchase. Funds are obliged to submit their periodic financial statements to the JSC and to declare their net assets value at least twice every month to enable investors to monitor their performance continuously and to make their investment decisions accordingly. The JSC is working on the amendment of Mutual Funds Instructions to be in line with international standards and to further encourage the establishment of this type of financial investment.





## Disclosure

Accurate, preliminary and periodic disclosure and providing information to investors and the public are fundamental pillars of financial markets, since information help develop the market in a manner that would achieve fairness, transparency, and efficiency. Disclosure Department at the JSC monitors the compliance of companies with the Securities Law and Disclosure Instructions issued by the JSC, and takes appropriate measures against violators in order to enhance compliance. There are a number of disclosure requirements that issuers need to follow. In addition to the preliminary disclosure through a prospectus, companies need to make periodic and continuous disclosure of financial statements, disclosure of material information that affect the price of securities, and disclosure of the dealings of major investors and insiders.

The Disclosure Department follows up on the compliance of public shareholding companies' with these requirements and ensures that they meet the deadlines defined by the Instructions and the Law.

The Securities Law and Disclosure Instructions require companies to submit to the Commission their preliminary results not later than 45 days after the end of their financial year, their annual reports not later than 90 days after the end of their financial year, and their semi-annual reports within a period not exceeding 93 days from the end of the first half of their financial year. It should be noted that the compliance of public shareholding companies with the disclosure requirements of their preliminary results in 2006 registered an improvement compared with the previous year. 95% of public shareholding companies provided the Commission with these reports compared with 82% in 2005. Companies' compliance with the requirement to provide the JSC with their semi-annual reports on the specified time reached 88% compared with 85% in 2005. The compliance of companies with the requirement to provide their annual reports on time also improved, with 88% of the companies providing the Commission with these reports compared with 74% in 2005.

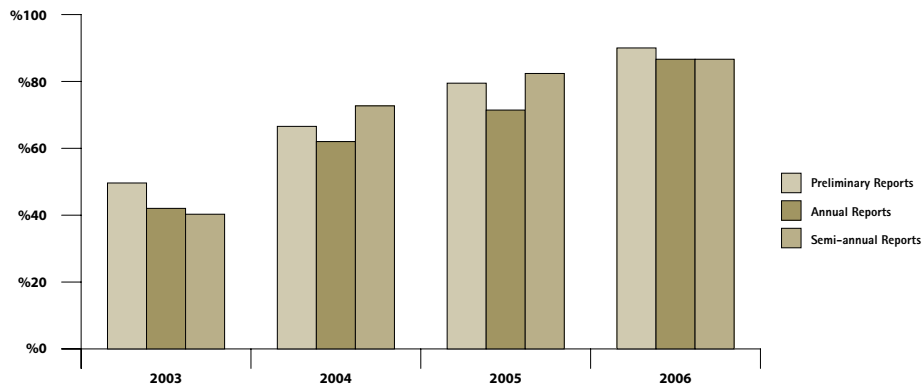


Issuing and disclosing periodic reports, and disclosing material information that affect the prices of securities, are of the most important duties of a public shareholding company towards investors.

**Table 1**  
Public Shareholding Companies Compliance with the Requirements to Submit Periodic Reports on Time

Periodic reports	2003	2004	2005	2006
Preliminary reports	51%	69%	82%	95%
Annual reports	43%	64%	74%	88%
Semi-annual reports	41%	75%	85%	88%

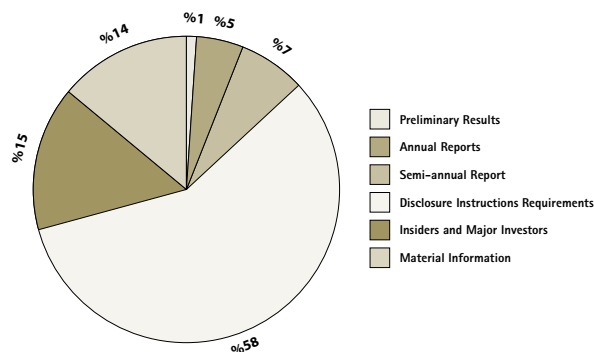
**Diagram 1**  
Public Shareholding Companies Compliance with the Requirements to Submit Periodic Reports on Time



**Table 2**  
Distribution of Violations Related to Periodic Disclosure, Material Information and Dealings of Insiders

Violation	Percentage %
Preliminary results	1
Annual report	5
Semi-annual Report	7
Disclosure Instructions Requirements	58
Insiders and Major Investors	15
Material information	14

**Diagram 2**  
Distribution of Violations Related to Periodic Disclosure, Material Information and Dealings of Insiders







### Dealings of Insiders

The Department of Disclosure monitors trading by insiders and their relatives, including chairpersons and members of boards of directors, executive board members and major shareholder, who are required by the Disclosure Instructions to inform the Commission of their trading and dealings. Instructions require any person who acquires or has disposal of 5% or more of any securities of an issuing company shall notify the Commission in writing within a week of this acquisition. The said person shall also notify the Commission in writing of any 1% increase in acquisition within one week of such occurrence, and shall disclose intention of any purchase above 10%.

Disclosure Instructions also oblige chairpersons and members of boards and executive boards to declare to the Commission in writing their holdings or any of their relatives, of securities issued by the mother company or any subsidiary, associate, or sister companies, within a week of their election or appointment. The majority of insiders and major shareholders complied with the legal disclosure requirements, with the exception of 33 persons, of whom 21 were fined between JD 250 and 750.





## Arab and International Cooperation

The JSC continued to foster its presence and relations on the Arab and international levels to serve its objectives and keep abreast with developments related to its activities, and to promote the national capital market. In this context, the JSC continued its active and effective role in International Organization of Securities Commissions (IOSCO), taking part in a number of its activities and meetings including the organization's annual conference that took place in Hong Kong. The JSC was also re-elected as a member of the IOSCO Executive Committee and as Deputy Chairman of the Emerging Markets Committee, positions that the JSC has held since 2002.

One of the most important developments on the Arab level was the JSC's effective contribution to the realization of the idea of the Arab Union of Securities Commissions. The JSC played a major role in the consultations and preparatory meetings, and contributed through its membership in the technical committee that comprises five Arab countries, in drawing the Charter and Internal By-law of the Union. It is expected that the establishment of the Union will be officially announced in January 2007.

The goals of the Union include:

1. Cooperation to attain the highest level of coordination in order to ensure the effectiveness and soundness of trading in Arab securities markets.
2. Exchanging information, technical assistance, and expertise in order to enhance the development of Arab markets and to draw effective regulations.
3. Working to unify efforts to achieve effective surveillance on trading in the markets.
4. Coordinating among members with regard to rules and regulations to achieve the highest level of accord between them.
5. Working to overcome any difficulties that face Arab investment, and to expand its base, and diversify its tools.
6. Upgrading the performance of the Arab securities sector.
7. Encouraging dual listing and trading in Arab markets

During the year 2006, two additional MoUs were signed with the UAE Securities and Commodities Authority and the Securities Commission of China, to create a framework for cooperation and the exchange of information and expertise with these two supervisory authorities, in order to enhance investor protection and develop the capital markets of Jordan, the UAE, and China. It should be noted that the JSC has a number of cooperation agreements and MoUs with its counterparts in several Arab and foreign countries.

The JSC also received a number of Arab and foreign delegations who visited the Commission to expand their cooperation and coordination with the JSC, and to acquaint themselves with Jordan's experience in the sphere of restructuring the national capital market. It also participated in a number of activities, the most important of which were the following:

1. The First Forum for the Gulf Financial Markets, held in Dubai, 14-16 March 2006.
2. The Annual Conference of the Union of Arab Stock Exchanges, held in Beirut 20-22 May 2006.
3. The 31st Annual Conference of IOSCO, held in Hong Kong, 5-8 June 2006.
4. The meetings of the joint Jordan-Pakistan conference, held in Islamabad, 26-27 June 2006.
5. The Investors and Issuers Conference held, in Malaysia, 14-15 August 2006.
6. The Conference of International Market Authorities on regulation of Derivatives, Products, and Financial Intermediaries, held in Chicago, USA, 16-20 October 2006.
7. The Corporate Governance in the Middle East and North Africa Conference, held in Dubai, 26-27 November 2006.
8. The Surveillance Solution to Stock Exchanges and Regulators in the Global Financial Community Seminar, held in Dubai, 27 November 2006.
9. The Second Investment and Financial Markets Conference, held in Damascus, 4-5 December 2006.



## Training and Public Awareness

### A. Training

The JSC attaches great importance to train its personnel to raise their academic and professional capabilities, and update them on the latest international developments. During 2006, the JSC held a number of training programs in coordination with Arab and international parties. In addition, 74 staff members, 66% of total employees, took part in training courses, conferences, seminars within the Kingdom and abroad. These were distributed as follows:

Training Courses	No of Employees	No. of Participations
At home	52	76
Abroad	22	26

**Among the most important programs and seminars organized in cooperation with local and international organizations were the following:**

1. The Second Corporate Governance Global Forum, in cooperation with the IFC, the World Bank, and the Global Corporate Governance Forum (GCGF).
2. The Mutual Funds Seminar in cooperation with AMIR Program and the NASD.
3. The First Program for Qualifying Compliance Officers of Financial Services Companies
4. The Program for Qualifying Investment Managers

**Among the most important training courses abroad in which JSC personnel took part were the following:**

1. The International Institute for Securities Markets Development Program, held in Washington DC, USA, 17-27 April 2006.
2. The Securities Market Regulation Program, held in Toronto, Canada, 23-29 July 2006.
3. Market Oversight Training Program – A practical Approach, held in Madrid, 2-6 October 2006.
4. The Emerging Markets Program, held in Malaysia, 16-22 September 2006.
5. The Application of Basel II to Trading Activities and the Treatment of Double Default Effects Seminar, held in Madrid, 7-8 November 2007.

### B. Investment Culture

The JSC continued its efforts to spread awareness of all issues related to investment in securities among all segments of society. Year 2006 witnessed the following main activities in this sphere:

1. The Commission has decided to establish a chair at Jordanian universities to teach courses related to the investment in capital market and its legislations, and to carry out researchs and studies in these areas. Special instructions were issued for the chair. The chair, which has an independent board of trustees, will be financed through contributions from the JSC and the national capital market institutions.
2. The JSC's efforts and contacts aiming to raise awareness in local universities have met with success. A number of national universities have started to include their syllabuses subjects related to investment in securities and the national capital market, its legislations, and its institutions.

Among the most important practices prohibited in the capital market are submitting incorrect reports, approving incorrect reports by auditors, and using inside unpublished information about companies to make profits or avoid losses.

3. The JSC organized a number of lectures, specialized seminars, and meetings with a number of official agencies that included the Royal College for National Defence and the College's Guidance Committee, students, and officers, as well as officers of the Royal Jordanian Air Force, the officers of the General Intelligence Department, the Anti Corruption Department, and the Prince Hussein Bin Abdullah Technical Military College.
4. The JSC held a special workshop for the media on the "The Importance and Effect of the Media on the Capital Market". The workshop intended to inform the media about the legislations that regulate the activities of capital market institutions, mechanisms of surveillance, trading, settlement, clearing, and the latest related developments.

The JSC also received a number of student delegations from universities, colleges and secondary schools. The students were provided with educational information and material, and updated on the latest developments in the capital market.





## Supervision on the Capital Market Institutions

According to the Securities Law, the ASE and SDC are subject to the supervision of the JSC. The work of these institutions is monitored by the Capital Market Institutions Monitoring Department and the Surveillance on Trading Department at the JSC.

### A. Amman Stock Exchange

The Capital Market Institutions Monitoring Department reviews the ASE reports submitted to the JSC, to ensure that the ASE monitors trading, supervises its members, and ensures that members of the ASE Board and executive administration exercise their powers in accordance with the Law and related regulations. The Board of Commissioners also studies the decisions of the ASE Board of Directors on a regular basis.

#### Surveillance of Trading

The Surveillance on Trading Department is linked with a number of systems that include the trading system used in the ASE, as well as MIS, SMART, and MAS systems and the system used at the SDC. These systems enable the Department to monitor and analyse trading at the ASE, and to follow up on all transactions completed during that period using the systems above. The Department also follows up on the names of people directly involved in trading in securities, to know the number of securities they own and the number of securities they intend to buy or sell. In light of the information gathered by the Department, it acts to correct any possible error in trading through direct contact with the financial brokerage firms in order to be averted before its occurrence.

Material violations are pursued after the closing of the session, through an extended analysis of transactions that are suspected to include violations. The transactions of related parties in this session and in previous sessions are analysed to confirm or controvert the suspected violation. In case of violation, the JSC sends a notice of violation to the violating party and proceeds with the legal actions related to the violation.

The Department monitors all trading transactions and pays special attention to trading by insiders and major shareholders, as well as registered persons with a record of repeated violations. The Department studies price fluctuations during the session and compares it with those in previous sessions. In case of a noticeable rise or drop in the price of a certain security, disclosures from the company are studied. If there are no disclosures that justify the price shift on that day, the Department contacts the issuer company and requests to be informed of any information of material events that might be behind the shift. When the company's answer is received, it is made public to investors in order to ensure fairness among investors and provide them with the necessary information that would enable investors to take their investment decisions based on accurate, full, and timely information.

The Department also prepares daily reports that include the volume of trading, price fluctuations, the most traded shares, and the ones with the most fluctuations, in addition to the details of the daily major deals and the proportion of buying and selling of each broker, to the gross volume of trading.

#### Performance of the Amman Stock Exchange (ASE)

The ASE, like most Arab stock exchanges, witnessed corrective actions that led to a retreat in share prices and some performance indicators. The ASE General Share Price Index dropped by 33% at the end of the year, compared with last year, which was a moderate drop compared with many neighbouring markets. The volume of trading reached JD 14.2 billion, marking a drop of 16%. The number of shares traded rose to 4.1 billion shares, 59% more than last year, and the number of contracts executed reached 1.4 million, a rise of 44%. The market capitalization of shares listed in the ASE at the end of 2006 reached JD 21.2 billion, constituted 234% of the GDP. The volume of trading in subscription rights, which were traded for the first time in accordance with the Instructions of Trading in Subscription Rights, issued by the JSC, registered 4.7 million rights with a value of JD 5.4 million.

If you wish to buy or sell securities at the ASE, you should contact a financial broker licensed by the JSC, read the agreement with your broker before signing it, make sure that his commission is within the operative range, and follow up on your investment closely.



#### B. Securities Depository Centre (SDC)

The Capital Market Institutions Monitoring Department supervises the SDC to ensure that it performs its activities in accordance with the Law and related regulations. The SDC prepares a daily update of investors' records of public shareholding companies whether their shares are traded at the ASE or not, according to securities transactions that take place directly through the ASE, in addition to the transfers that take place at the SDC. The SDC conducts the settlements involved in receiving and paying the price of securities to and from brokers through bank transfers between the bank accounts of brokers and the Central Bank of Jordan's settlement account by means of the RTGS-JO. In 2006, the SDC received and paid JD 2.81 billion through the settlement account.

One of the principal functions of the SDC is performing the transfer through inheritance of securities and family transfers. In 2006 there were 17,000 transfers through inheritance, involving 24 million securities, and 14,000 family transfers of 23 million securities.

At the end of 2006, shares ownership of 771,978 shareholders representing 75% of a total of 1,026,037 shareholders in public shareholding companies was deposited. These shareholders own 4,954 million shares, representing 97% of a total of 5,092 million issued shares.

In 2006, the SDC introduced new services to its members and to investors and stakeholders in the capital market. The most important of these services was enabling investors to obtain ownership statements that show their balance in securities and the securities distribution in different accounts. The SDC also enabled investors to monitor their portfolios and securities accounts statements through the SDC's website.

The SDC also introduced the electronic pledge system, which was devised to serve the banks that are members of the SDC, to facilitate follow up procedures and to place or lift the pledge mark on securities deposited by banks as the pledged party.





## Licensing and Registration

### A. New licenses:

New licenses were granted to 11 companies to perform the following financial services:

No.	Company	Type of License Granted	Date
1	Al- Safwa Financial Investment	Financial broker, Dealer, Financial advisory	02/02/2006
2	Arab Consultants Financial Services	Management of primary issues (best efforts)	07/02/2006
3	Istithmar for Financial Services Company	Financial broker, Dealer	07/02/2006
4	Tadawal for Securities and Financial Services	Financial broker	22/03/2006
5	The Bankers for Brokerage and Financial Invest	Financial broker, Dealer	08/05/2006
6	Elite Financial Services	Financial broker, Dealer	08/05/2006
7	Al- Zahera For Financial Brokerage	Financial broker	08/05/2006
8	Jordan River Financial Investment	Financial broker	30/05/2006
9	Al- Nadwa for Financial Services and Investments	Financial broker	02/08/2006
10	Al- Bilad for Securities and Investment	Financial broker, dealer	30/08/2006
11	Indemaj Financial Services	Financial broker, financial advisory, investment trusteeship	04/10/2006



No persons shall, at the same time, serve both as an Investment manager and as an investment trustee for the same account or for the same client.



**B. Twenty one existing financial services companies were granted the following licenses:**

No.	Company	Type of License Granted	Date
1	Arab Falcon Trading Services	Dealer, financial advisory	02/02/2006
2	Investment House for Financial Services	Management of primary issues (best efforts)	14/02/2006
3	International Brokerage and Financial Services	Margin financing	28/03/2006
4	Al- Amal Financial Investments Co. LTD.	Margin financing	08/05/2006
5	Al- Watanieh for Financial Services Company	Margin financing Financial advisory, investment management	08/05/2006 18/07/2006 18/07/2006
6	Al- Aula Financial Investments	Margin financing, investment management, financial advisory	08/05/2006 30/05/2006 30/05/2006
7	Trans Jordan for Financial Services	Margin financing, investment trusteeship, Investment management, financial advisory	22/06/2006 22/06/2006 22/06/2006 22/06/2006
8	Al- Omana'a Portfolio and Investments	Margin financing	22/06/2006
9	Ahli Brokerage Company	Margin financing	22/06/2006
10	Imcan for Financial Services	Margin financing	25/07/2006
11	Shares House for Financial Securities	Margin financing	25/07/2006
12	Aman for Securities	Margin financing	05/09/2006
13	Al- Fares Financial Investments	Margin financing	04/10/2006
14	Investment House for Financial Services	Margin financing	04/10/2006
15	United Company for Financial Investment	Margin financing	11/10/2006
16	Al- Bilad for Securities and Investment	Investment management	17/11/2006
17	Al- Mawared for Brokerage	Margin financing	09/11/2006
18	National Portfolio Securities	Margin financing	09/11/2006
19	Capital Bank of Jordan	Investment management	06/12/2006
20	Delta Financial Investments	Margin financing	21/12/2006

**C. Transferred Licenses:**

In order to comply with the Licensing Instructions of 2005, 5 banks licenses were transferred to companies fully owned by these banks, as follows:

No.	Name of Bank	Company	Type of License Transferred	Date
1	Union Bank for Savings and Investment	Union Financial Brokerage Company	Financial broker, dealer, financial advisory, investment management, margin financing	16/03/2006
2	Jordan National Bank	Ahli Brokerage Company	Financial broker, dealer, margin financing	22/06/2006
3	Société Générale Bank Jordan	Société Générale Jordan Brokerage	Financial broker	22/06/2006
4	Bank of Jordan	Excel for Financial Investments	Financial broker, dealer	22/06/2006
5	Jordan Investment and Finance Bank	Al- Mawared for Brokerage	Financial broker, Dealer	22/06/2006

Licensed persons must maintain accounting records in accordance with accepted accounting standards.





#### D. Revoked Licenses:

The following 7 licenses belonging to 6 financial services companies were revoked:

No.	Company	Type of License Granted	Type of License Revoked	Date
1	Arab Falcon Trading Services	Financial broker, dealer, financial advisory	Dealer, financial advisory	02/02/2006
2	Al- Shorouq Financial Brokers	Financial broker, dealer	Broker Dealer	27/04/2006
3	Société Générale Bank Jordan	Financial broker, dealer	Broker Dealer	22/06/2006
4	Al- Jazeera for Financial Investments Company	Financial broker, dealer	Broker Dealer	22/06/2006
5	Shares House for Financial Securities	Financial broker, dealer, financial Consultant, Investment Management, Margin Financing	Investment Management	22/06/2006
6	Friends Financial Investments Et Brokerage Company	Financial Broker, Dealer, Investment Trusteeship, Investment Management, Financial Consulting	Investment Management	17/08/2006

#### E. Registration of Technical Registered Persons

The JSC granted 246 licenses to 228 natural persons to provide financial services as follows:

Type of Registration	Number
Registered financial broker	157
Registered financial consultant	32
Registered investment trustee	4
Registered investment manager	21
Registered issuance Manager	31
Registered Custodian	1
Total	246

Any information to which commissioners and the JSC employees have access, shall be deemed confidential and subject to legal liability. However, the Board may disclose information it deems necessary for protecting investors.





A N N U A L R E P O R T



## Financial Statement





## Financial Statements

December 31, 2006

His Excellency the Prime Minister  
 Chairman and Members of Jordan Securities Commission Board  
 Jordan Securities Commission  
 Amman – Jordan

We have audited the accompanying financial statements of Jordan Securities Commission (Jordanian Public Institution established by a special law), which comprise the balance sheet as at 31 December 2006 and the income statement, statement of changes in partners' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Commission as of 31 December 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Amman – Jordan  
 March 27, 2007



Jordan Securities Commission  
Jordanian Public Institution Established by a Special Law  
Balance Sheet As Of December 31, 2006

	Notes	2006\JD	2005\JD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property and equipment, net	5	5,183,561	5,314,143
Employees housing loans, net	6	961,288	1,018,159
<b>Total Non-Current Assets</b>		<b>6,144,849</b>	<b>6,332,302</b>
<b>Current Assets</b>			
Accrued revenues, net	7	42,850	208,213
Receivables and other current assets, net	8	64,059	53,619
Due from Amman Bourse and Securities Depository Center	9	38,128	67,456
Cash on hand and at banks	10	34,010,586	24,676,126
<b>Total Current Assets</b>		<b>34,155,623</b>	<b>25,005,414</b>
<b>Total Assets</b>		<b>40,300,472</b>	<b>31,337,716</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
	11		
General reserve		4,905,034	3,010,674
Fixed assets reserve (capital)		6,000,000	6,000,000
Acquisition of Bourse and center share in the existing building reserve		4,000,000	4,000,000
Transfer to the Public Treasury		13,354,908	10,932,782
<b>Total Reserves</b>		<b>28,259,942</b>	<b>23,943,456</b>
<b>Non-Current Liabilities</b>			
Investors protection fund deposit	12	7,739,159	4,378,594
Provision for staff indemnity	13	2,417,454	1,039,824
<b>Total Non-Current Liabilities</b>		<b>10,156,613</b>	<b>5,418,418</b>
<b>Current Liabilities</b>			
Accrued expenses		67,271	66,281
Payables and other current liabilities	14	1,672,037	1,793,186
Unearned revenue		144,609	116,375
<b>Total Current Liabilities</b>		<b>1,883,917</b>	<b>1,975,842</b>
<b>Total Liabilities</b>		<b>12,040,530</b>	<b>7,394,260</b>
<b>Total Reserves and Liabilities</b>		<b>40,300,472</b>	<b>31,337,716</b>

The accompanying notes from 1 to 24 are an integral part of these financial statement



**Jordan Securities Commission**  
**Jordanian Public Institution Established by a Special Law**  
**Statement of Revenues And Expenses**  
**for the Year Ended December 31, 2006**

	Notes	2006\JD	2005\JD
<b>Revenues</b>			
Commissions		15,655,963	16,959,167
Listing and licensing fees	15	471,037	409,213
Registration fees	16	2,270,331	2,173,507
Interest income	17	1,510,616	371,127
Gain from sale of property and equipment		-	13,123
Other revenues	18	246,355	327,307
<b>Total Revenues</b>	<b>20,154,302</b>	<b>20,253,444</b>	
<b>Expenses</b>			
General and administrative expenses	19	3,267,518	1,782,011
Provision for end of service indemnity	13	1,377,630	1,006,717
Provision for doubtful debts		24,689	9,245
Depreciation and amortization		235,197	212,701
<b>Total Expenses</b>		<b>4,905,034</b>	<b>3,010,674</b>
Excess of revenues over expenses			
<b>Transferred to reserves in balance sheet</b>		<b>15,249,268</b>	<b>17,242,770</b>

**Jordan Securities Commission**  
**Jordanian Public Institution Established by a Special Law**  
**Statement of Changes in Reserves**  
**for the Year Ended December 31, 2006**

	General reserve	Fixed assets reserve	Acquisition of Bourse and Center share in existing building reserve	Transfer to public treasury	Net annual excess	Total
<b>Balance as of January 1, 2006</b>	<b>3,010,674</b>	<b>6,000,000</b>	<b>4,000,000</b>	<b>10,932,782</b>	<b>-</b>	<b>23,943,456</b>
Excess of revenues over expenses	-	-	-	-	13,354,908	13,354,908
Transferred to reserves	1,894,360	-	-	-	-	1,894,360
Transferred to Public Treasury	-	-	-	13,354,908	(13,354,908)	-
Paid to Public Treasury	-	-	-	(10,932,782)	-	(10,932,782)
<b>Balance as of December 31, 2006</b>	<b>4,905,034</b>	<b>6,000,000</b>	<b>4,000,000</b>	<b>13,354,908</b>	<b>-</b>	<b>28,259,942</b>
<b>Balance as of January 1, 2005</b>	<b>2,260,747</b>	<b>3,950,000</b>	<b>3,989,939</b>	<b>-</b>	<b>-</b>	<b>10,200,686</b>
Excess of revenues over expenses	-	-	-	-	17,242,770	17,242,770
Transferred to reserves	749,927	2,050,000	10,061	-	(2,809,988)	-
Transferred to Public Treasury	-	-	-	14,432,782	(14,432,782)	-
Paid to Public Treasury	-	-	-	(3,500,000)	-	(3,500,000)
<b>Balance as of December 31, 2005</b>	<b>3,010,674</b>	<b>6,000,000</b>	<b>4,000,000</b>	<b>10,932,782</b>	<b>-</b>	<b>23,943,456</b>

The accompanying notes from 1 to 24 are an integral part of these financial statement



Jordan Securities Commission  
Jordanian Public Institution Established by a Special Law  
Cash Flow Statement  
For the Year Ended December 31, 2006

	2006\JD	2005\JD
<b>Cash Flows from Operating Activities</b>		
Excess of revenues over expenses	15,249,268	17,242,770
<b>Adjustments for:</b>		
Depreciation and amortization	235,197	212,701
Provision for doubtful debts	24,689	9,245
Gain from sale and disposal of property and equipment	(7,471)	(13,123)
<b>Excess of revenues over expensed before change in assets and liabilities</b>	<b>15,501,683</b>	<b>17,451,593</b>
<b>Change in assets and liabilities</b>		
Decrease (increase) in accrued revenues	142,148	(33,435)
(Increase) decrease in receivables and other current assets	(10,440)	(14,880)
Decrease (increase) in due from Amman Bourse and Securities Depository Center	29,328	(51,308)
Increase in accrued expenses	990	17,624
Increase in payables and other current liabilities	4,617,046	4,221,610
Increase in unearned revenue	28,234	28,200
<b>Net cash from operating activities</b>	<b>20,308,989</b>	<b>21,619,404</b>
<b>Cash Flows from Investing Activities</b>		
Employees housing loans	55,397	43,224
Purchase of property and equipment	(104,614)	(878,025)
Proceeds from sale of property and equipment	7,471	13,123
<b>Net cash from (used in) investing activities</b>	<b>(41,746)</b>	<b>(821,678)</b>
<b>Cash Flows from Financing Activities</b>		
Payment to the Public Treasury	(10,932,783)	(3,500,000)
<b>Net cash used in Financing activities</b>	<b>(10,932,783)</b>	<b>(3,500,000)</b>
<b>Net increase in cash and cash equivalent</b>	<b>9,334,460</b>	<b>17,297,726</b>
Cash and cash equivalent beginning of year	24,676,126	7,378,400
<b>Cash and cash equivalent end of year</b>	<b>34,010,586</b>	<b>24,676,126</b>

The accompanying notes from 1 to 24 are an integral part of these financial statement





## Notes to the Financial Statements

### 1. General

Jordan Securities Commission (The Commission) was established with legal, administrative and financial independence in accordance with the Financial Securities Temporary Law No. (23) of 1997, which was issued on May 15, 1997. This Commission is considered the legal and factual heir to Amman Financial Market (AFM) and accordingly all its rights, obligations, assets and records were transferred to the Commission.

During 2003, the temporary law No 23 of 1997 was cancelled and replaced by the Financial Securities Law No, 76 of 2002 dated December 31, 2002.

The Financial Securities Law was implemented over a period of two years through the Counsel of Ministers resolutions as recommended by the Jordan Securities Commission's Board, except for transmittal clauses which became applicable immediately. Accordingly, three new bodies were formed, the Jordan Securities Commission, Amman Bourse and the Securities Depository Center which all became legally, administratively and financially independent.

The main objectives of the Commission is to promote and encourage investment in the financial securities through administering and supervising the securities issues and the dealings in securities.

The financial statements were authorized for issue by the Commission's Board subsequent to their meeting held on March 27, 2007.

### 2. Basis of Preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS)

The financial statements are prepared under the historical cost convention.

The financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the commission.

### 3. Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.



#### 4. Main Accounting Policies

- **Revenue recognition**

Trading commission is recognized daily at the close of the daily session after receiving the trading contracts. The Counsel of Ministers and the Commission Board have approved certain percentages based on which the commissions are divided among Jordan Securities Commission, Amman Bourse and Securities Depository Center.

Annual subscriptions, listings and licensing fees are recognized as earned.

Registration fees are recognized once registration at the Commission is finalized.

- **Property and equipment**

Property and equipment are recorded at cost, less accumulated depreciation. Freehold land is not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets. The depreciation rates range between 4% - 33%.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts.

- **Cash and cash equivalents**

Cash equivalents represent cash on hand and at banks.

Represents cash and cash balances maturing within three months, and includes cash in hand and at banks

- **Housing loans**

Housing loans are recorded at amortized cost using the effective interest rate.

The impairment loss is recorded at the income statement.

- **Provision for staff indemnity**

Provision for staff indemnity of the Commission's employees was computed in accordance with the Employees' Regulations as amended by regulation No. (26) of 2006.



## 5. Property and Equipment

	Balance (1/1/2006)	Additions	Retirements and Transfers	Balance 31/12/2006
<b>Cost</b>				
Land*	2,639,568	7,376	-	2,646,944
Buildings*	2,747,598	9,232	-	2,756,830
Electronic equipment	509,508	2,735	-	512,243
Furniture and fixtures	155,597	13,441	-	169,038
Office equipment	101,298	17,580	-	118,878
Motor vehicles	360,288	54,250	7,471	407,067
Safe boxes	3,495	-	-	3,495
	<b>6,517,352</b>	<b>104,614</b>	<b>7,471</b>	<b>6,614,495</b>
<b>Accumulated Depreciation</b>				
Buildings	512,237	109,232	-	621,469
Electronic equipment	314,998	77,740	-	392,738
Furniture and fixtures	93,402	12,666	-	106,068
Office equipment	70,437	5,990	-	76,427
Motor vehicles	209,456	29,355	7,471	231,340
Safe boxes	2,679	213	-	2,892
	<b>1,203,209</b>	<b>235,196</b>	<b>7,471</b>	<b>1,430,934</b>
<b>Net book value</b>	<b>5,314,143</b>			<b>5,183,561</b>

\* During 2001, the Jordan Securities Commission Board decided to allocate the ownership of the new building among the occupants using the following rates:

Jordan Securities Commission	47%
Amman Bourse	28%
Securities Depository Center	25%

Accordingly, the share of Amman Bourse and Securities Depository Center in the building and land were transferred. As of the date of the financial statements the land and building are still registered in the name of Jordan Securities Commission.

## 6. Employees Housing Loans

This item consists of the following:

	2006\JD	2005\JD
Loans granted	1,422,696	1,433,296
Interest on granted loans	452,088	514,462
Loans repaid	(659,222)	(686,304)
Interest on repayments	(185,619)	(174,871)
Accrued installments	(21,741)	(22,984)
	<b>1,008,202</b>	<b>1,063,599</b>
Less: Allowance for doubtful debts	46,914	45,440
	<b>961,288</b>	<b>1,018,159</b>



A credit interest on the housing loans granted to the employees is calculated at 5%, and a debit interest is calculated on the paid installments at 5%. The difference between the credit and debit interest is considered a part of the granted loans.

In accordance with the Amman Financial Market (AFM) regulations, housing loans are granted against mortgage on the property in addition to an insurance policy covering fire, earthquakes and erosion risks on such property during the loan period.

## 7. Accrued Revenues

This item consists of the following:

	2006\JD	2005\JD
Listing fees	91,427	73,187
Registration and licensing fees	110,449	226,998
Accrued licensing fees	500	500
Information service revenue	19,945	19,945
Interest revenue	-	43,839
Others	873	873
	<b>223,194</b>	<b>365,342</b>
Less: Allowance for doubtful debts	180,344	157,129
	<b>42,850</b>	<b>208,213</b>

## 8. Receivables and Other Current Assets

This item consists of the following:

	2006\JD	2005\JD
Advances to employees	1,400	11,056
Accounts receivable	9,527	8,657
Refundable deposits	4,686	4,586
Prepaid expenses	6,752	10,179
Accrued installments on housing loans	21,741	22,984
Jordan financial center project	23,796	-
Others	957	957
	<b>68,859</b>	<b>58,419</b>
Less: Allowance for doubtful debts	4,800	4,800
	<b>64,059</b>	<b>53,619</b>

## 9. Due from Amman Bourse and Securities Depository Center

This item consists of the following:

	2006\JD	2005\JD
Amman Bourse	26,821	27,235
Securities Depository Center	11,307	40,221
	<b>38,128</b>	<b>67,456</b>



## 10. Cash On Hand And At Banks

Included in cash at banks an amount of general reserve and acquisition of Bourse and Center share in the existing building reserve.

Included in cash at banks bank deposits maturing within 3 months, the interest rates on these deposits have 5.75% on JD deposits and 4.53% on USD deposits.

## 11. Reserves

The reserves were established in accordance with article (29) of Securities Law (76) of 2002.

- The acquisition of Bourse and Center share in the existing building reserve was established in accordance with the Commission's decision to use the capital market buildings reserve to buy both Amman Bourse and Securities Depository Center's shares in the existing building based on the Commission's intention to re-acquire the entire existing building.
- Note B of article (29) of the Securities Law No. (76) of 2002 states that the commission shall maintain a general reserve equivalent to the overall expenditures in its annual budget. Any remaining amount shall be paid to the Public Treasury.

## 12. Investors Protection Fund Deposits

This item consists of the following:

	2006\JD	2005\JD
Investors Protection Fund deposits*	7,739,159	4,378,594

- \* Investors Protection Fund represents amounts collected from brokerage companies according to Securities Law No. 76 of 2002.

## 13. Provision For Staff Indemnity

The movement on the provision for staff indemnity is as follows:

	2006\JD	2005\JD
Balance, beginning of the year	1,039,824	33,107
Add: Provision for end of service indemnity*	1,377,630	1,006,717
Balance, end of the year	2,417,454	1,039,824

- \* A new regulation for the Jordan Security Commission's employees No. (26) of 2006 was published in the official gazette during 2006, which stipulates paying an end of services indemnity of the employees for specific cases of the end of their services based on the total years for employees in the commission.



#### 14. Payables And Other Current Liabilities

This item consists of the following:

	2006\JD	2005\JD
Amman Bourse Deposit	1,654,100	1,764,553
Ministry of Finance deposits/stamps	-	1,046
Other deposits	13,913	23,784
Deferred revenues	3,121	3,735
Other	903	68
	<b>1,672,037</b>	<b>1,793,186</b>

#### 15. Listing and Licensing Fees

This item consists of the following:

	2006\JD	2005\JD
Listing fees	332,987	288,388
Licensing fees	138,050	120,825
	<b>471,037</b>	<b>409,213</b>

The listing fees in accordance with Jordan Securities Commission Fees Regulation No (24) of 1999, is JD 0.0002 on share and bonds issued by public shareholding companies, provided that the fee charged shall not exceed JD 2,000. Issuance made by the government or its institutions and municipalities, is subject to fixed charge of JD 250, for each issuance.

#### 16. Registration Fees

The registration fees are in accordance with Jordan Securities Commission Fees Regulation No. (24) of 1999, which is JD 0.003 on equity shares and JD 0.0002 on corporate bonds par value registered with a ceiling of JD 50,000 and JD 3,000 for shares and corporate bonds, respectively.

#### 17. Interest Income

This item consists of the following:

	2006\JD	2005\JD
Interest on bank deposits	1,485,862	344,841
Interest on employees housing loans	24,754	26,286
	<b>1,510,616</b>	<b>371,127</b>

#### 18. Other Revenues

	2006\JD	2005\JD
Courses revenue	24,200	-
Grants revenue	-	16,933
Penalties	184,150	303,915
Others	38,005	6,459
	<b>246,355</b>	<b>327,307</b>



## 19. General and Administrative Expenses

	2006\JD	2005\JD
Salaries, wages and other benefits	1,573,821	1,004,630
Contributions to saving fund	110,284	50,169
Contributions to social security	117,329	101,339
Contributions to housing fund	700,000	-
Medical expenses	140,000	110,000
Uniforms	7,895	6,842
Insurance	32,416	27,653
Studies, training and per diem allowances	164,715	150,459
Stationary and printings	40,738	49,083
Rent, cleaning and security	30,045	22,269
Maintenance	59,744	41,256
Telecommunications and services	98,788	90,828
Entertainment	18,016	14,865
Advertising	13,506	22,523
Donations	24,560	24,170
Books, newspapers, subscriptions	28,560	10,937
Experts and consultants fees	55,324	24,620
Professional fees	5,000	4,060
IOSCO conference expense	14,115	-
Others	32,662	26,308
	<b>3,267,518</b>	<b>1,782,011</b>

## 20. Litigation

The Commission is a defendant in a number of lawsuits raised in the normal course of business amounting to JD 969,823.

## 21. Related party transaction

The remuneration of members of key management is as follows:

	2006\JD	2005\JD
Salaries and benefits	180,400	180,400



## 22. Fair Value of Financial Instruments

Financial Instruments include: cash, accounts receivable, some other current assets and liabilities.

The book values of financial instruments are not materially different from their fair value.

## 23. Risk Management

### a. Interest rate risk

The Commission is exposed to interest rate risk on its interest bearing assets and liabilities, such as bank deposits.

### b. Credit risk

The Commission seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and ensuring that customers have a good credit history.

### c. Currency risk

Most of Commission's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar is fixed to the US Dollar (1.41 US Dollar/JD 1).

## 24. Reclassification

Some of 2005 balances were reclassified to correspond with the 2006 presentation. The reclassification has no effect on the reserves and the excess of revenues over expenses.





A N N U A L R E P O R T



Annex





## Annexes\*

Annex 1 Issuances

Annex 2 Number and Type of Violations and Measures Taken Against Violators

\* Annex 2 includes names of parties that violated the provisions of the Securities Law No. 76 of 2002 and related regulations. Based on the provisions of the Securities Law and international practice in this regard, these names are disclosed with the aim of enhancing investors protection.



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## Annex 1: Issuances

**Table 1**  
**Primary Market Issues by Existing Public Shareholding Companies that Raised their Capital through Private Subscription, Debt Capitalization, and Mergers – 2006**

No.	Company	Number of shares offered	Value of shares offered	Number of shares covered	Value of shares covered	JSC Approval
1	Arab East for Real Estate Investments Co.	7,500,000	18,750,000	7,496,082	18,740,205	30/11/2005
2	Arab American Insurance	14,950	14,950	14,950	14,950	22/12/2005
3	Arab Bank	176,000,000	1,056,000,000	176,000,000	1,056,000,000	05/01/2006
4	Arab Bank	4,000,000	24,000,000	4,000,000	24,000,000	05/01/2006
5	The Industrial Commercial & Agricultural (Previously Jordan International Industries Co.)	2,700,000	2,700,000	2,700,000	2,700,000	02/02/2006
6	Jordan International Investment	974,257	974,257	974,257	974,257	02/02/2006
7	Arabian Seas INS.	500,000	525,000	500,000	525,000	02/02/2006
8	Arabian Seas INS.	2,000,000	2,000,000	2,000,000	2,000,000	02/02/2006
9	The Unified Co. for Organizing Land Transport	511,057	511,057	511,057	511,057	28/02/2006
10	Arabian Seas INS.	16,500,000	17,325,000	16,500,000	17,325,000	02/02/2006
11	Arab Paper Converting and Trade	3,000,000	3,000,000	3,000,000	3,000,000	02/02/2006
12	The Arab Assures	900,000	1,341,000	900,000	1,341,000	21/03/2006
13	Jordan Investment Trust	6,611,111	23,072,777	6,611,111	23,072,777	28/03/2006
14	Emmar Investments & Real Estate Development	7,140,000	7,140,000	6,913,626	6,913,626	29/03/2006
15	Al- Quds Ready Miz	7,000,000	7,000,000	6,997,200	7,122,105	06/04/2006
16	Jordan Trade Facilities	7,500,000	7,500,000	7,500,000	7,596,150	28/03/2006
17	The Housing Bank for Trade and Finance	100,000,000	400,000,000	100,000,000	401,591,520	06/04/2006
18	Elzay Ready Wear Manufacturing	1,500,000	1,500,000	1,500,000	1,500,000	27/04/2006
19	Al- Sharq Investment Projects	4,250,000	4,250,000	4,250,000	4,250,000	08/05/2006
20	Al- Nisr Al- Arabi Insurance	2,500,000	11,250,000	2,500,000	11,250,000	16/05/2006
21	Intermediate Petrochemicals Industries	1,000,000	1,000,000	1,000,000	1,000,000	23/05/2006
22	Jordan Steel	6,000,000	12,000,000	6,000,000	12,593,007	16/05/2006
23	Jordan Steel	2,000,000	10,000,000	2,000,000	10,000,000	16/05/2006
24	Jordan Kuwait Bank	15,000,000	45,000,000	15,000,000	48,500,405	23/05/2006
25	Arab Jordan Investment Bank	4,000,000	8,000,000	4,000,000	8,000,000	31/05/2006
26	Jordan Press & Publishing / AD- Dustour	350,000	350,000	339,664	352,165	22/06/2006
27	Jordan National Bank	8,000,000	27,000,000	8,000,000	27,000,000	22/06/2006
28	Jordan Steel	65,000	65,000	65,000	65,000	16/05/2006
29	Jordan Steel	10,000	10,000	10,000	10,000	16/05/2006
30	The Arab International Co. for Education & Investment	10,125,000	10,125,000	10,125,000	11,395,273	22/06/2006
31	The Arab International Food Factories & Investment	3,000,000	3,000,000	3,000,000	3,051,450	22/06/2006
32	Jordan French Insurance	500,000	575,000	500,000	575,000	25/07/2006
33	The Jordanian Pharmaceutical Manufacturing	4,000,000	6,000,000	4,000,000	6,093,671	18/07/2006
34	Arab International Hotels	3,000,000	3,000,000	3,000,000	3,143,363	07/08/2006
35	The Arab Pesticides & Veterinary Orugs Manufacturing	1,500,000	1,500,000	1,500,000	1,504,564	07/08/2006



No.	Company	Number of shares offered	Value of shares offered	Number of shares covered	Value of shares covered	JSC Approval
36	Al- Tajamouat for Touristic Projects Co. Plc	16,800,000	21,000,000	16,800,000	21,000,000	25/07/2006
37	Al- Tajamouat for Touristic Projects Co. Plc	9,200,000	9,200,000	9,200,000	9,250,336	25/07/2006
38	Jordanian Real Estate for Development	15,000,000	15,000,000	14,959,000	15,575,329	25/07/2006
39	The Islamic Insurance	4,000,000	5,000,000	4,000,000	5,033,359	12/09/2006
40	Arab Real Estate Development	11,332,933	11,332,933	11,332,933	11,996,083	30/08/2006
41	Salam International Transport & Trading	2,000,000	2,000,000	2,000,000	2,007,455	17/08/2006
42	Arab Paper Converting and Trade	500,000	500,000	48,920	48,920	30/08/2006
43	Arab Real Estate Development	5,000,000	10,000,000	5,000,000	10,000,000	04/10/2006
44	Nutri Dar	1,750,000	3,325,000	1,750,000	3,325,000	11/10/2006
45	United Arab Investors	15,000,000	47,550,000	15,000,000	47,550,000	14/09/2006
46	Arab Orient Insurance Co.	5,000,000	5,000,000	5,000,000	5,212,080	04/10/2006
47	National Cable & Wire Manufacturing	2,500,000	2,500,000	2,315,230	2,315,230	04/10/2006
48	Jordan Poultry Processing & Marketing	6,000,000	4,500,000	2,688,874	2,016,656	11/10/2006
49	Arab German Insurance	3,208,680	3,208,680	3,208,680	3,208,680	30/11/2006
50	Jordan Islamic Bank for Finance & INV.	15,000,000	30,000,000	14,138,764	28,277,528	07/11/2006
51	Jordan Projects for Tourism Development	2,500,000	11,250,000	2,500,000	11,250,000	30/11/2006
52	United Arab Investors	5,000,000	15,850,000	5,000,000	15,850,000	14/09/2006
53	Comprehensive Multiple Transport	10,000,000	10,000,000	10,000,000	10,000,000	06/12/2006
54	United Arab Investors	7,500,000	23,775,000	788,643	2,499,998	14/09/2006
<b>Total</b>		<b>546,942,988</b>	<b>1,947,470,654</b>	<b>535,138,991</b>	<b>1,930,089,598</b>	<b>-</b>



**Table 2**  
**Shares Issued in Previous Years and Covered in 2006**

No	Company	Number of shares covered	Value of shares covered	JSC Approval
1	Jordan National Bank	229,566	1,170,787	11/01/2005
2	Jordanian Expatriates Investment Holding	50,837	50,837	22/12/2005
3	Portfolio Management & Investment Services	700,000	2,100,000	02/02/2006
4	Bindar Trading & Investment Co.	2,000	2,000	02/02/2006
5	Bindar Trading & Investment Co.	2,811	4,413	02/02/2006
6	Philadelphia Insurance	5,461	12,238	02/02/2006
7	Capital Bank of Jordan (Export and Finance Bank (Previously))	201,505	201,505	07/02/2006
8	Middle East Pharmaceutical & Chemical Industries & Medical	320	320	07/02/2006
9	United Insurance	35,782	77,289	07/02/2006
10	Middle East Complex for Engineering Electronics & Heavy LND	78,626	78,626	02/02/2006
11	Middle East Complex for Engineering Electronics & Heavy LND	150	450	02/02/2006
12	Portfolio Management & Investment Services	1,000,000	3,000,000	14/02/2006
13	Jordanian Expatriates Investment Holding	4,393	4,393	26/02/2006
14	United Arab Investors	8,838	8,838	26/02/2006
15	United Arab Investors	19,544	19,544	26/02/2006
16	United Arab Investors	31,114	31,114	26/02/2006
17	The Investors & Eastern Arab for Industrial & Real Estate	1,450	1,450	26/02/2006
18	National Portfolio Securities	454	1,362	21/03/2006
19	Portfolio Management & Investment Services	122,500	367,500	21/03/2006
20	Arab East Investment Co.	1,650	1,650	22/03/2006
21	Arab East Investment Co.	9,459	109,346	06/04/2006
22	Arab East Investment Co.	44,125	44,125	06/04/2006
23	Jordanian Expatriates Investment Holding	43,406	74,658	28/03/2006
24	Jordanian Expatriates Investment Holding	150,000	258,000	28/03/2006
25	Jordanian Expatriates Investment Holding	872	872	28/03/2006
26	National Portfolio Securities	48,330	317,963	28/03/2006
27	United Arab Investors	3,966	3,966	29/03/2006
28	Jordan National Bank	1,646,160	6,584,640	16/04/2006
29	The Investors & Eastern Arab for Industrial & Real Estate	450	450	27/04/2006
30	United Arab Investors	42	42	27/04/2006
31	Middle East Complex for Engineering Electronics & Heavy Ind.	6,150	6,150	06/04/2006
32	United Arab Investors	5,200	5,200	16/05/2006
33	Middle East Complex for Engineering Electronics & Heavy Ind	21,000	21,000	16/05/2006
34	The Investors & Eastern Arab for Industrial & Real Estate	4,650	4,650	16/05/2006
35	United Arab Investors	1,240	1,240	31/05/2006
36	The Investors & Eastern Arab for Industrial & Real Estate	2,307	2,307	31/05/2006
37	The Investors & Eastern Arab for Industrial & Real Estate	800	800	22/06/2006



No	Company	Number of shares covered	Value of shares covered	JSC Approval
38	Comprehensive Land Development & Investment	4,300	4,300	18/07/2006
39	United Arab Investors	1,200	1,200	25/07/2006
40	The Consulting & Investment Group	1,062,238	2,124,476	25/07/2006
41	United Arab Investors	178,615	610,863	17/08/2006
42	The Investors & Eastern Arab For Industrial & Real Estate	1,500	1,500	12/10/2006
43	Jordan Central	10,137	17,030	18/10/2006
44	Jordan Taameer Plc.	6,576	6,576	18/10/2006
<b>Total</b>		<b>5,749,724</b>	<b>17,335,671</b>	<b>-</b>

**Table 3**  
**Primary Issues by Newly-Established Companies – 2006**

No.	Company	Declared Capital	Capital subscribed by founders	Number of shares offered	Value of shares offered	Number of shares covered	Value of shares covered	Subscribed capital after offering	Date of JSC Approval
1	Nopar For Trading & Investment	500,000	300,000	200,000	200,000	200,000	200,000	500,000	02/02/2006
2	Jordan Taameer Plc.	212,000,000	159,000,000	53,000,000	53,000,000	52,923,247	52,923,247	211,923,247	14/02/2006
3	Islamic International Arab Bank*	40,000,000	40,000,000	0	0	0	0	40,000,000	16/05/2006
4	First Finance	50,000,000	30,000,000	20,000,000	20,000,000	20,000,000	20,000,000	50,000,000	27/04/2006
5	Masafat for Specialized Transportation	12,000,000	9,000,000	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000	16/05/2006
6	Zahrat Alurdan Real Estate & Hotel Investment	500,000	375,000	125,000	125,000	125,000	125,000	500,000	23/05/2006
7	Al- Bilad Securities and- Investment	10,000,000	7,500,000	2,500,000	2,500,000	2,500,000	2,500,000	10,000,000	30/05/2006
8	Al- Sanabel International for Islamic Financial Investment	20,000,000	15,000,000	5,000,000	5,000,000	5,000,000	5,000,000	20,000,000	30/05/2006
9	Awtad for real Estate and Financial Investment	1,000,000	750,000	250,000	250,000	250,000	250,000	1,000,000	31/05/2006
10	Methaq Real State Investment	5,000,000	3,475,000	1,525,000	1,814,750	1,525,000	1,814,750	5,289,750	31/05/2006
11	Middle East Diversified Investment	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	31/05/2006
12	Arab Investors Union for Real Estate Developing	3,000,000	1,570,000	1,430,000	1,430,000	1,430,000	1,430,000	3,000,000	22/06/2006
13	High Performance Real Estate Investments	12,000,000	7,886,821	4,113,179	4,113,179	4,113,179	4,113,179	12,000,000	22/06/2006
14	Jordanian Management and Consulting	500,000	375,000	125,000	125,000	125,000	125,000	500,000	22/06/2006
15	Jordan International Investment**	10,000,000	10,000,000	0	0	0	0	10,000,000	05/09/2006
16	Palaces Real- Estate and Development	4,000,000	3,000,000	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000	12/09/2006
17	Future Arab Investment	15,500,000	11,625,000	3,875,000	3,875,000	3,875,000	3,875,000	15,500,000	04/10/2006
18	General Lightweight Concrete Industries	8,500,000	6,375,000	2,125,000	2,125,000	2,125,000	2,125,000	8,500,000	04/10/2006
<b>Total</b>		<b>406,500,000</b>	<b>307,231,821</b>	<b>99,268,179</b>	<b>99,557,929</b>	<b>99,191,426</b>	<b>99,481,176</b>	<b>406,712,997</b>	<b>-</b>

\* International Arab Islamic Bank did not issue stocks for public; It Does exist but is not registered at the JSC.

\*\* Jordan International Investment is a talk of incorporation- company resulting from the merging of Jordan International Industries Co. and Jordan International Real State and Tourists Investments.





**Table 4**  
**Primary Market Issues by Companies Resulting from Changing their**  
**Legal Status to Public Shareholding Companies – 2006**

No.	Company	Declared Capital	Capital subscribed by founders	Number of shares offered	Value of shares offered	Number of shares covered	Value of shares covered	Subscribed capital after offering	Date of JSC Approval
1	Afaq for Investment and Real Estate Development	3,400,000	3,400,000	0	0	0	0	3,400,000	28/03/2006
2	Comprehensive Multiple Transport	10,000,000	10,000,000	0	0	0	0	10,000,000	28/03/2006
3	Shareco Brokerage	12,000,000	12,000,000	0	0	0	0	12,000,000	28/03/2006
4	Contempro for Housing Projects	3,615,000	3,615,000	0	0	0	0	3,615,000	23/05/2006
5	Jordan Clothing	3,000,000	3,000,000	0	0	0	0	3,000,000	22/06/2006
6	Al- Jamil for General Investment	1,000,000	715,094	284,906	370,378	149,906	194,878	909,972	11/10/2006
7	Deera Real Estate Development	25,000,000	25,000,000	0	0	0	0	25,000,000	12/10/2006
<b>Total</b>		<b>58,015,000</b>	<b>57,730,094</b>	<b>284,906</b>	<b>370,378</b>	<b>149,906</b>	<b>194,878</b>	<b>57,924,972</b>	<b>-</b>

**Table 5**  
**Companies that Raised their Capital through Capitalization of**  
**Voluntary Reserves, Retained Earnings, or Issue Premium – 2006**

No.	Company	Capital before increase	Number of shares issued	Value of shares issued	Capital after increase	Date of JSC Approval	Date of shareholder right
1	Jordan Kuwait Bank	40,000,000	20,000,000	20,000,000	60,000,000	21/03/2006	04/04/2006
2	Bank of Jordan	66,000,000	20,000,000	20,000,000	86,000,000	21/03/2006	04/04/2006
3	The Housing Bank for Trade and Finance	100,000,000	50,000,000	50,000,000	150,000,000	28/03/2006	11/04/2006
4	Jordan Commercial Bank	50,000,000	7,500,000	7,500,000	57,500,000	27/04/2006	11/05/2006
5	Capital Bank of Jordan (Export and Finance Bank- previously)	102,000,000	14,000,000	14,000,000	116,000,000	27/04/2006	11/05/2006
6	Arab Jordan Investment Bank	30,000,000	10,000,000	10,000,000	40,000,000	27/04/2006	11/05/2006
7	Union Bank for Saving and Investment	40,000,000	15,000,000	15,000,000	55,000,000	08/05/2006	22/05/2006
8	Jordan National Bank	85,000,000	17,000,000	17,000,000	102,000,000	23/05/2006	06/06/2006
9	Arab Banking Corporation	34,500,000	10,350,000	10,350,000	44,850,000	23/05/2006	06/06/2006
10	Jordan Investment and Finance Bank	33,000,000	11,000,000	11,000,000	44,000,000	31/05/2006	14/06/2006
11	Jordan Islamic Bank for Finance and Inv	40,000,000	10,000,000	10,000,000	50,000,000	31/05/2006	14/06/2006
12	Cairo Amman Bank	45,000,000	22,500,000	22,500,000	67,500,000	31/05/2006	14/06/2006
13	Arab Life and Accident Insurance	5,000,000	3,000,000	3,000,000	8,000,000	21/03/2006	04/04/2006
14	Jordan International Insurance	12,000,000	4,500,000	4,500,000	16,500,000	21/03/2006	04/04/2006
15	Jordan Insurance	20,000,000	10,000,000	10,000,000	30,000,000	13/04/2006	27/04/2006
16	Jerusalem Insurance	4,200,000	1,260,000	1,260,000	5,460,000	27/04/2006	11/05/2006
17	Arab Jordanian Insurance Group	6,500,000	2,275,000	2,275,000	8,775,000	27/04/2006	11/05/2006
18	Arab Orient Insurance Company	3,750,000	1,250,000	1,250,000	5,000,000	27/04/2006	11/05/2006
19	Yarmouk Insurance and Reinsurance Company	3,000,000	2,000,000	2,000,000	5,000,000	27/04/2006	11/05/2006
20	Arab German Insurance	5,800,000	1,392,000	1,392,000	7,192,000	27/04/2006	11/05/2006
21	Gerasa Insurance	2,000,000	800,000	800,000	2,800,000	08/05/2006	22/05/2006



No.	Company	Capital before increase	Number of shares issued	Value of shares issued	Capital after increase	Date of JSC Approval	Date of shareholder right
22	The Islamic Insurance	3,600,000	400,000	400,000	4,000,000	08/05/2006	22/05/2006
23	Middle East Insurance	10,000,000	5,000,000	5,000,000	15,000,000	08/05/2006	22/05/2006
24	Delta Insurance	3,360,000	1,640,000	1,640,000	5,000,000	23/05/2006	06/06/2006
25	Arab Assurers	5,000,000	900,000	900,000	5,900,000	31/05/2006	14/06/2006
26	United Insurance	6,000,000	1,000,000	1,000,000	7,000,000	22/06/2006	06/07/2006
27	Philadelphia Insurance	3,000,000	750,000	750,000	3,750,000	22/06/2006	06/07/2006
28	The Holy Land Insurance	3,000,000	575,000	575,000	3,575,000	22/06/2006	06/07/2006
29	General Arabia Insurance	2,000,000	2,000,000	2,000,000	4,000,000	12/09/2006	26/09/2006
30	Emmar Investments and Real Estate Development	4,200,000	630,000	630,000	4,830,000	29/03/2006	12/04/2006
31	Al- amin Investment	7,450,075	1,490,015	1,490,015	8,940,090	29/03/2006	12/04/2006
32	National Portfolio Securities	10,000,000	5,000,000	5,000,000	15,000,000	13/04/2006	27/04/2006
33	The Real Estate and Investment Portfolio	12,000,000	3,000,000	3,000,000	15,000,000	27/04/2006	11/05/2006
34	Specialized Investment Compounds	17,800,000	2,700,000	2,700,000	20,500,000	08/05/2006	22/05/2006
35	Jordan Press Foundation	6,000,000	1,500,000	1,500,000	7,500,000	16/05/2006	30/05/2006
36	Jordan Investment Trust	23,596,105	5,902,778	5,902,778	29,498,883	16/05/2006	30/05/2006
37	Arab International Hotels	20,000,000	2,000,000	2,000,000	22,000,000	23/05/2006	06/06/2006
38	Arab East Investment Co.	9,054,436	9,054,436	9,054,436	18,108,872	23/05/2006	06/06/2006
39	The Jordanian Electric Power	50,000,000	10,000,000	10,000,000	60,000,000	23/05/2006	06/06/2006
40	United Financial Investments	2,000,000	3,000,000	3,000,000	5,000,000	30/05/2006	13/06/2006
41	Jordan National Shipping Lines	8,050,000	4,025,000	4,025,000	12,075,000	31/05/2006	14/06/2006
42	Beit Al- Mal Saving and Investment for Housing	15,000,000	5,000,000	5,000,000	20,000,000	31/05/2006	14/06/2007
43	Jordan Press and Publishing	3,300,000	350,000	350,000	3,650,000	22/06/2006	06/07/2006
44	The Arab International Co. for Education and Investment	20,250,000	10,125,000	10,125,000	30,375,000	22/06/2006	06/07/2006
45	Salam International Transport and Trading	7,000,000	4,200,000	4,200,000	11,200,000	22/06/2006	06/07/2006
46	Arabian Steel Pipes Manufacturing	7,500,000	1,500,000	1,500,000	9,000,000	06/04/2006	20/04/2006
47	Jordan New Cable	9,760,000	3,740,000	3,740,000	13,500,000	06/04/2006	2006/04/20
48	Jordan Chemical Industries	1,636,022	163,602	163,602	1,799,624	27/04/2006	11/05/2006
49	Ready Miz Concrete and Construction Supplies	11,000,000	1,100,000	1,100,000	12,100,000	08/05/2006	22/05/2006
50	The Jordan Worsted Mills	8,000,000	2,000,000	2,000,000	10,000,000	16/05/2006	30/05/2006
51	International Tobacco and Cigarette	16,500,000	3,500,000	3,500,000	20,000,000	23/05/2006	06/06/2007
52	Jordan Wood Industries/ JWICO	1,875,000	625,000	625,000	2,500,000	23/05/2006	06/06/2007
53	Al- Jonoub Filters Manufacturing	1,251,758	125,176	125,176	1,376,934	30/05/2006	13/06/2006
54	Darwish Khalili & Sons	6,000,000	1,500,000	1,500,000	7,500,000	31/05/2006	14/06/2006
55	The Arab International Food Factories Et Investment	6,000,000	1,500,000	1,500,000	7,500,000	22/06/2006	06/07/2006
56	The Arab Pesticides Veterinary Drugs Manufacturing	6,000,000	1,500,000	1,500,000	7,500,000	07/08/2006	21/08/2006
<b>Total</b>		<b>1,054,933,396</b>	<b>331,323,007</b>	<b>331,323,007</b>	<b>1,386,256,403</b>	-	-



**Table 6**  
**Companies that Issued Bonds – 2006**

No.	Company	Number of bonds offered	Nominal value	Issuance date	Maturity date	Interest Rate	Number of bonds covered	Value of bonds covered	Date of JSC Approval
1	Jordan Mortgage Refinance	100	1,000,000	27/02/2006	27/02/2009	7.30%	100	1,000,000	05/07/2005
2	Jordan Mortgage Refinance	375	3,750,000	27/02/2006	27/02/2009	7.30%	375	3,750,000	05/07/2005
3	Jordan Mortgage Refinance	100	1,000,000	27/02/2006	27/02/2009	7.30%	100	1,000,000	05/07/2005
4	Jordan Mortgage Refinance	25	250,000	27/02/2006	27/02/2009	7.30%	25	250,000	05/07/2005
5	Jordan Mortgage Refinance	400	4,000,000	27/02/2006	27/02/2009	7.37%	400	4,000,000	05/07/2005
6	Jordan Mortgage Refinance	20,000	20,000,000	24/04/2006	24/04/2007	7.10%	425	4,250,000	05/07/2005
7	Jordan Mortgage Refinance	52,000	52,000,000	16/03/2006	16/03/2007	7.20%	7,000	7,000,000	28/02/2006
8	Jordan Mortgage Refinance	52,000	52,000,000	27/04/2006	27/04/2009	7.39%	8,000	8,000,000	28/02/2006
9	Jordan Mortgage Refinance	52,000	52,000,000	22/05/2006	22/05/2007	7.28%	5,250	5,250,000	28/02/2006
10	Jordan Mortgage Refinance	52,000	52,000,000	31/05/2006	31/05/2007	7.19%	4,750	4,750,000	28/02/2006
11	Jordan Mortgage Refinance	52,000	52,000,000	05/06/2006	05/06/2009	7.39%	5,000	5,000,000	28/02/2006
12	Jordan Mortgage Refinance	52,000	52,000,000	25/06/2006	25/06/2007	7.35%	2,500	2,500,000	28/02/2006
13	Jordan Mortgage Refinance	52,000	52,000,000	28/06/2006	28/06/2009	8.00%	9,000	9,000,000	28/02/2006
14	Jordan Mortgage Refinance	52,000	52,000,000	20/09/2006	20/09/2007	7.14%	5,000	5,000,000	28/02/2006
15	Jordan Mortgage Refinance	50,000	50,000,000	28/09/2006	27/09/2007	7.14%	2,000	2,000,000	02/08/2006
16	Jordan Mortgage Refinance	50,000	50,000,000	19/10/2006	19/10/2007	7.15%	3,000	3,000,000	02/08/2006
<b>Total</b>		<b>123,000</b>	<b>132,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,925</b>	<b>65,750,000</b>	<b>-</b>

**Table 7**  
**Securities Registered with the JSC, Issued or Guaranteed by the Government through the Central Bank of Jordan – 2006**

No.	Issuer	Issuance Number	Nominal value	Issuance date	Maturity date	Interest Rate	Date of JSC approval
1	Treasury Bonds 2006	1	50,000,000	29/01/2006	29/01/2009	7.26%	26/02/2006
2	Treasury Bonds 2006	2	50,000,000	28/02/2006	28/02/2011	7.70%	13/04/2006
3	Treasury Bonds 2006	3	50,000,000	30/03/2006	29/01/2009	7.39%	13/04/2006
4	Treasury Bonds 2006	5	50,000,000	07/05/2006	28/02/2011	8.03%	16/05/2006
5	Treasury Bonds 2006	7	50,000,000	11/06/2006	29/01/2009	7.83%	22/06/2006
6	Treasury Bonds 2006	8	50,000,000	29/06/2006	28/02/2011	8.36%	18/07/2006
7	Treasury Bills 2006	6	50,000,000	17/07/2006	17/10/2006	6.61%	31/07/2006
8	Treasury Bills 2006	7	50,000,000	31/07/2006	31/01/2007	6.92%	17/08/2006
9	Treasury Bills 2007	8	50,000,000	15/08/2006	15/02/2007	6.97%	30/08/2006
10	Treasury Bills 2006	9	50,000,000	17/09/2006	17/09/2007	6.59%	04/10/2006
11	Treasury Bonds 2006	9	50,000,000	31/08/2006	31/08/2009	7.74%	04/10/2006
12	Treasury Bonds 2006	10	50,000,000	28/09/2006	28/09/2011	8.15%	04/10/2006
13	Water Authority Bonds 2006	25	31,000,000	09/10/2006	09/10/2009	7.54%	18/10/2006
14	Treasury Bills 2006	10	50,000,000	17/10/2006	17/09/2007	6.49%	18/10/2006
15	Treasury Bonds 2006	11	50,000,000	17/09/2006	17/09/2007	6.59%	07/11/2006
16	Treasury Bills 2006	11	50,000,000	15/11/2006	17/09/2007	6.87%	30/11/2006
17	Water Authority Bonds 2006	26	12,000,000	06/11/2006	06/11/2009	7.47%	30/11/2006
18	Treasury Bonds 2006	12	50,000,000	17/09/2006	28/09/2011	6.59%	21/12/2006
<b>Total</b>			<b>843,000,000</b>				

## Annex 2: Number and Type of Violations and Measures Taken Against Violators

**Table 1**  
**Issuing Companies that Failed to Disclose Material Information**  
**within the Specified Period.**

No.	Violating company	Measures Taken
1	Jordan Poultry Processing and Marketing	1. A Fine of JD 500 2. Recorded in JSC's Records
2	Universal Modern Industries for Edible Oil	The Company Was Ordered not to Repeat the Violation, and to Comply with the Law, Instructions and Decisions of the JSC
3	International Brokerage and Financial Markets	The Company Was Ordered not to Repeat the Violation, and to Comply with the Law, Instructions and Decisions of the JSC
4	United Financial Investments	The Company Was Ordered not to Repeat the Violation, and to Comply with the Law, Instructions and Decisions of the JSC
5	National Multi Engineering Industries	1. A Fine of JD 500 2. Recorded in JSC's Records
6	Royal Jordanian Air Academy	1. A Fine of JD 500 2. Recorded in JSC's Records
7	Union Advanced Industries	1. A Fine of JD 500 2. Recorded in JSC's Records
8	Jordan International Insurance	The Company Was Orderd not to Repeat the Violation, and to Comply with the Law, Instructions and Decisions of the JSC
9	International Arabian Development and Investment Trading Co.	1. A Fine of JD 500 2. Recorded in JSC's Records
10	Al- Sharq Investment Projects	1. A Fine of JD 500 2. Recorded in JSC's Records
11	Jordan Medical Corporation	1. A Fine of JD 500 2. Recorded in JSC's Records
12	Beit Al- Mal Saving and Investment for Housing	1. A Fine of JD 500 2. Recorded in JSC's Records
13	Philadelphia International Educational Investments	1. A Fine of JD 500 2. Recorded in JSC's Records
14	Al- Faris National Company for Investment and Export Plc.	Recorded in JSC's Records
15	Specialized Jordanian Investments	1. A Fine of JD 500 2. Recorded in JSC's Records
16	National Aluminium Industrial	1. A Fine of JD 500 2. Recorded in JSC's Records
17	Gerasa Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records
18	Arab Union International Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records
19	Al- Tajamouat for Touristic Projects Co.	1. A Fine of JD 500 2. Recorded in JSC's Records
20	Capital Bank of Jordan	1. A Fine of JD 500 2. Recorded in JSC's Records
21	Arab American Takaful Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records
22	Comprehensive land Development and Investment.	1. A Fine of JD 500 2. Recorded in JSC's Records
23	Union Investment Corporation	1. A Fine of JD 500 2. Recorded in JSC's Records
24	Jordan New Cable	1. A Fine of JD 500 2. Recorded in JSC's Records
25	Dar Al Dawa Development and Investment	1. A Fine of JD 500 2. Recorded in JSC's Records



No.	Violating company	Measures Taken
26	Jordan Cement Factories	1. A Fine of JD 500 2. Recorded in JSC's Records
27	Rum Aladdin Industries	1. A Fine of JD 500 2. Recorded in JSC's Records 3. Orderd not to Repeat the Violation, and to Comply with the Law, Instructions and Decisions of the JSC
28	Al Faris National Company for Investment and Exports plc	1. A Fine of JD 500 2. Recorded in JSC's Records 3. Orderd to Comply with the Law, Instructions and Decisions of the JSC
29	Arab Printers	1. A Fine of JD 500 2. Recorded in JSC's Records 3. Orderd to Comply with the Law, Instructions and Decisions of the JSC
30	Arab Real Estate Development	Recorded in JSC's Records

**Table 2**  
**Issuing Companies that Failed to Submit to the JSC their**  
**Preliminary Results within the Specified Period**

No.	Violating company	Measures Taken
1	Emmar Investments and Real Estate Development	1. A Fine of JD 500 2. Recorded in JSC's Records
2	Amman Development and Investment	1. A Fine of JD 500 2. Recorded in JSC's Records
3	Jordan Phosphate Mines	1. A Fine of JD 500 2. Recorded in JSC's Records

**Table 3**  
**Insiders who Failed to Notify the JSC of their Ownership in Securities**  
**of an Issuing Company and of any Changes therein**

No.	Violating company	Measures Taken
1	Arab Life and Accident Insurance	1. A Fine of JD 750 2. Recorded in JSC's Records
2	Arab Banking Corporation- Jordan	1. A Fine of JD 750 2. Recorded in JSC's Records
3	Ibrahem Hussein Muhammad Abo Rageb	1. A Fine of JD 250 2. Recorded in JSC's Records
4	Osama Muhammad Yaseen Khaleel Al- Talhony	Recorded in JSC's Records
5	Ahmmad Muhammad Ali Darweesh Al- Khalili	A Fine of JD 500
6	Basem Jameel Essa Al- Mu'ashir	Recorded in JSC's Records
7	Hasan Ali Hussein Abu Ragab	1. A Fine of JD 250 2. Recorded in JSC's Records
8	Rafeeq Saleh Essa Al- Mu'ashir*	Recorded in JSC's Records
9	Ishrak Company for Commercial Investments	1. A Fine of JD 250 2. Recorded in JSC's Records
10	Jordan Kuwait Bank	1. A Fine of JD 750 2. Recorded in JSC's Records
11	Al- Mada'in Company for Investment and Development	1. A Fine of JD 250 2. Recorded in JSC's Records
12	Jordan Industrial Resources	1. A Fine of JD 750 2. Recorded in JSC's Records
13	Raja'y Al- mu'ashir Company	1. A Fine of JD 250 2. Recorded in JSC's Records
14	Salah Mifleh Al- Faleh Al- Lozi	1. A Fine of JD 500 2. Recorded in JSC's Records 3. Ordered not to Repeat the Violation
15	Abed Al- Aziz Ezzat Mustafa Al- Khayyat	1. A Fine of JD 250 2. Recorded in JSC's Records
16	Abd Al- Qader Abdullah Ahmad Al- Qadi	Recorded in JSC's Records
17	Muhammad Ali Atwey Shaimat	1. A Fine of JD 250 2. Recorded in JSC's Records
18	Ali Mustafa Ali Al- Qarm	Recorded in JSC's Records
19	Farouq Wasef Muhammad Saleh Al- Kharouf	1. A Fine of JD 250 2. Recorded in JSC's Records
20	Muhammad Khalaf Muhammad Al- Tal	Recorded in JSC's Records
21	Muhammad Taher Darweesh Al. Masri	Recorded in JSC's Records
22	Muhey Al- Din Muhammad Hasan Al- Jamal	1. A Fine of JD 250 2. Recorded in JSC's Records
23	Nadeem Yousef Eysa Al- Mu'ashir	Recorded in JSC's Records
24	Nizar Abd Al- Raheem Muneeb Jardaneh	Recorded in JSC's Records
25	Natheer Jawdat Aziz Al- Sati	1. A Fine of JD 250 2. Recorded in JSC's Records
26	Waheeb Abdullah Abd Rahman AL- Salem	1. A Fine of JD 250 2. Recorded in JSC's Records
27	Ahmad Yasir Barakat Company	Recorded in JSC's Records
28	Jordan Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records

\* Violation was Repeated Twice by the Same Party



**Table 4**  
**Issuing Companies that Failed to Include in their Annual Reports Certain Items**  
**Required by the Disclosure Instructions.**

No.	Violating Company	Measures taken
1	Arab International Hotels	1. A Fine of JD 250 2. Recorded in JSC's Records
2	Arab Aluminium Industrial	1. A Fine of JD 300 2. Recorded in JSC's Records
3	Arabian Steel Pipes Manufacturing	1. A Fine of JD 600 2. Recorded in JSC's Records
4	Arab Electrical Industries	1. A Fine of JD 500 2. Recorded in JSC's Records
5	Real Estate Investment	1. A Fine of JD 300 2. Recorded in JSC's Records
6	Specialized Trading and Investment	1. A Fine of JD 300 2. Recorded in JSC's Records
7	National Steel Industry	1. A Fine of JD 250 2. Recorded in JSC's Records
8	Royal Jordanian Air Academy	1. A Fine of JD 250 2. Recorded in JSC's Records
9	Union Land Peueblsment	1. A Fine of JD 500 2. Recorded in JSC's Records
10	Jordan Rodckwool Industries	1. A Fine of JD 300 2. Recorded in JSC's Records
11	Jordan Investment and Tourism Transport	1. A Fine of JD 2000 2. Recorded in JSC's Records
12	Batelco Jordan	1. A Fine of JD 400 2. Recorded in JSC's Records
13	Al- Pawliya for Hotels and Malls	1. A Fine of JD 400 2. Recorded in JSC's Records
14	The Industrial Commercial and Agric	1. A Fine of JD 3000 2. Recorded in JSC's Records
15	Intel. Brokerage and Financial Market	1. A Fine of JD 500 2. Recorded in JSC's Records
16	Arab Paper Converting and Trading	1. A Fine of JD 900 2. Recorded in JSC's Records
17	Arab Pharmaceutical Manufacturing	1. A Fine of JD 1300 2. Recorded in JSC's Records 3. Ordered to Comply with the Law, Instructions and Decision of the JSC
18	Arab Pesticides and Veter Drugs MFG	1. A Fine of JD 1300 2. Recorded in JSC's Records
19	United for Financial Investment	1. A Fine of JD 500 2. Recorded in JSC's Records
20	United for Organizing Land Trans	1. A Fine of JD 250 2. Recorded in JSC's Records
21	National Chlorines Industries	1. A Fine of JD 500 2. Recorded in JSC's Records
22	Portfolio Management and investment Services	1. A Fine of JD 250 2. Recorded in JSC's Records
23	Jordan Petroleum Refinery	1. A Fine of JD 250 2. Recorded in JSC's Records
24	Trust International Transport	1. A Fine of JD 300 2. Recorded in JSC's Records
25	Al- Janoub Filters Manufacturing	1. A Fine of JD 600 2. Recorded in JSC's Records



No.	Violating Company	Measures taken
26	Hayuat Pharmaceutical Industries	1. A Fine of JD 400 2. Recorded in JSC's Records
27	Salam Intel Transport and Trading	1. A Fine of JD 400 2. Recorded in JSC's Records
28	Jordan Sulpho- Chemicals	1. A Fine of JD 400 2. Recorded in JSC's Records
29	Middle East Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records
30	Arab East for Reed Estate Investment	1. A Fine of JD 400 2. Recorded in JSC's Records
31	Al- Qaria for Food and Vegetable Oil Industries	1. A Fine of JD 400 2. Recorded in JSC's Records
32	Pearl Seminally Paper	1. A Fine of JD 400 2. Recorded in JSC's Records
33	Real Estate and Investment Portfolio	1. A Fine of JD 800 2. Recorded in JSC's Records
34	Arab International Food Factories	1. A Fine of JD 300 2. Recorded in JSC's Records
35	Real Estate Development	1. A Fine of JD 600 2. Recorded in JSC's Records
36	DAR Al- Dawa Developments and Investment	1. A Fine of JD 250 2. Recorded in JSC's Records
37	Jordan Express Tourism Trans.	1. A Fine of JD 250 2. Recorded in JSC's Records
38	Bindar Trading and Investment	1. A Fine of JD 250 2. Recorded in JSC's Records
39	The Housing Bank for Trade and Finance	1. A Fine of JD 600 2. Recorded in JSC's Records
40	Building Development and Investment	1. A Fine of JD 600 2. Recorded in JSC's Records
41	Jordan Steel	1. A Fine of JD 600 2. Recorded in JSC's Records
42	Nutria Dar	1. A Fine of JD 300 2. Recorded in JSC's Records
43	Afia International - Jordan	1. A Fine of JD 1600 2. Recorded in JSC's Records
44	Capital Bank of Jordan	1. A Fine of JD 250 2. Recorded in JSC's Records
45	Jordan France Insurance	1. A Fine of JD 800 2. Recorded in JSC's Records
46	International for Medical Investment	1. A Fine of JD 400 2. Recorded in JSC's Records
47	Arab German Insurance	1. A Fine of JD 1000 2. Recorded in JSC's Records
48	Arab American Takaful Insurance	1. A Fine of JD 300 2. Recorded in JSC's Records
49	Jordan International Insurance	1. A Fine of JD 250 2. Recorded in JSC's Records
50	Jordan Kuwait Bank	1. A Fine of JD 800 2. Recorded in JSC's Records
51	Jordan National Bank	1. A Fine of JD 250 2. Recorded in JSC's Records
52	Arab Bank	1. A Fine of JD 250 2. Recorded in JSC's Records
53	Arab Assures	1. A Fine of JD 250 2. Recorded in JSC's Records





No.	Violating Company	Measures taken
54	Jerusalem Insurance	1. A Fine of JD 300 2. Recorded in JSC's Records
55	Real Estate and Investment Portfolio	1. A Fine of JD 800 2. Recorded in JSC's Records
56	Resources Company for Dev. And Investment	1. A Fine of JD 400 2. Recorded in JSC's Records
57	Oasis Insurance	1. A Fine of JD 600 2. Recorded in JSC's Records
58	Arab Jordan Investment Bank	1. A Fine of JD 400 2. Recorded in JSC's Records
59	Societies General DE Bangui- Jordan	1. A Fine of JD 400 2. Recorded in JSC's Records
60	Gerasa Insurance	1. A Fine of JD 700 2. Recorded in JSC's Records
61	Philadelphia Insurance	1. A Fine of JD 1000 2. Recorded in JSC's Records
62	Jordan Central	1. A Fine of JD 300 2. Recorded in JSC's Records
63	Jordan Mortgage Refinance	1. A Fine of JD 400 2. Recorded in JSC's Records
64	Jordan Pharmacy Manufacturing	1. A Fine of JD 1000 2. Recorded in JSC's Records
65	Poultry Processing	1. A Fine of JD 250 2. Recorded in JSC's Records
66	The Jordan Pipes Manufacturing	1. A Fine of JD 250 2. Recorded in JSC's Records
67	Jordan loan Guarantee	1. A Fine of JD 250 2. Recorded in JSC's Records
68	Specialized Jordanian Investment	1. A Fine of JD 300 2. Recorded in JSC's Records
69	Jordan Press and Publishing/ (AD- Dustoor)	1. A Fine of JD 250 2. Recorded in JSC's Records
70	Al- Ahlia Commercial Centers	1. A Fine of JD 250 2. Recorded in JSC's Records
71	International Silica Industrial	1. A Fine of JD 250 2. Recorded in JSC's Records
72	Zara Investment (holding) Co. LTD	1. A Fine of JD 400 2. Recorded in JSC's Records
73	Century Investment Group	1. A Fine of JD 500 2. Recorded in JSC's Records
74	Union Tobacco Et Cigarette Industries	1. A Fine of JD 400 2. Recorded in JSC's Records
75	Union Investment Corporation	1. A Fine of JD 300 2. Recorded in JSC's Records
76	The Arab Potash	1. A Fine of JD 600 2. Recorded in JSC's Records
77	Specialized Investment Compounds	1. A Fine of JD 250 2. Recorded in JSC's Records
78	Al- Tajamouat for Catering and Housing Co.	1. A Fine of JD 700 2. Recorded in JSC's Records
79	Al- Tajamouat for Touristic Projects Co. PLS	1. A Fine of JD 250 2. Recorded in JSC's Records
80	National Poultry	1. A Fine of JD 800 2. Recorded in JSC's Records
81	Al- Quds Ready Mix	1. A Fine of JD 1200 2. Recorded in JSC's Records



No.	Violating Company	Measures taken
82	Union Advanced Industries	1. A Fine of JD 400 2. Recorded in JSC's Records
83	Investments and Integrated Industries Co. Plc	1. A Fine of JD 300 2. Recorded in JSC's Records
84	Al- Amin for Investment	1. A Fine of JD 500 2. Recorded in JSC's Records
85	International Arabian Development & investment Trading	1. A Fine of JD 1000 2. Recorded in JSC's Records
86	Petra Holding Company Plc	1. A Fine of JD 300 2. Recorded in JSC's Records
87	Petra Education Company	1. A Fine of JD 1400 2. Recorded in JSC's Records
88	Mediterranean Tourism Investment	1. A Fine of JD 1200 2. Recorded in JSC's Records
89	Philadelphia International Educational Investment Company	1. A Fine of JD 300 2. Recorded in JSC's Records
90	Irbid District Electricity	1. A Fine of JD 300 2. Recorded in JSC's Records
91	The Jordan Cement Factories	1. A Fine of JD 500 2. Recorded in JSC's Records
92	Jordan Ceramic Industries	1. A Fine of JD 500 2. Recorded in JSC's Records
93	Jordan Vegetable Oil Industries	1. A Fine of JD 800 2. Recorded in JSC's Records
94	Jordan Phosphate Mines	1. A Fine of JD 900 2. Recorded in JSC's Records
95	Arab Union International Insurance	1. A Fine of JD 300 2. Recorded in JSC's Records
96	The Holy Land Insurance	1. A Fine of JD 400 2. Recorded in JSC's Records
97	Arabian Seas Insurance	1. A Fine of JD 1100 2. Recorded in JSC's Records
98	Jordan Islamic Bank for Finance & INV.	1. A Fine of JD 250 2. Recorded in JSC's Records
99	Jordan Commercial Bank	1. A Fine of JD 250 2. Recorded in JSC's Records
100	Jordan Insurance	1. A Fine of JD 700 2. Recorded in JSC's Records
101	The Islamic Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records
102	Al- Ro'ayah for Investment Company	1. A Fine of JD 300 2. Recorded in JSC's Records
103	Arab Life & Accident Insurance	1. A Fine of JD 1000 2. Recorded in JSC's Records
104	The Consulting & Investment Group	1. A Fine of JD 600 2. Recorded in JSC's Records
105	Arab Jordanian Insurance Group	1. A Fine of JD 600 2. Recorded in JSC's Records
106	Euro Arab Insurance Group	1. A Fine of JD 1400 2. Recorded in JSC's Records
107	Al- Nisr Al- Arabi Insurance	1. A Fine of JD 2500 2. Recorded in JSC's Records
108	Yarmouk Insurance Company LTD	1. A Fine of JD 1600 2. Recorded in JSC's Records
109	Union Bank for Saving & Investment	1. A Fine of JD 700 2. Recorded in JSC's Records



No.	Violating Company	Measures taken
110	Industrial Development Bank	1. A Fine of JD 600 2. Recorded in JSC's Records
111	Cairo Amman Bank	1. A Fine of JD 600 2. Recorded in JSC's Records
112	Beit Al- Mal Saving & Investment for Housing	1. A Fine of JD 400 2. Recorded in JSC's Records
113	Amman Development & Investment	1. A Fine of JD 4800 2. Recorded in JSC's Records
114	Arab East Investment Co.	1. A Fine of JD 800 2. Recorded in JSC's Records
115	Jordan Chemical Industries	1. A Fine of JD 300 2. Recorded in JSC's Records
116	Jordan New Cable	1. A Fine of JD 600 2. Recorded in JSC's Records
117	Al- Kindi Pharmaceutical Industries	1. A Fine of JD 3400 2. Recorded in JSC's Records
118	Jordan Electric Power	1. A Fine of JD 500 2. Recorded in JSC's Records
119	United Arab Investors	1. A Fine of JD 2600 2. Recorded in JSC's Records
120	The Investors and Eastern Arab for Industrial and Real Estate	1. Fine Paid of JD 2600 2. Recorded in JSC's Records
121	Jordan Investment Trust	1. A Fine of JD 250 2. Recorded in JSC's Records
122	Jordan Himmeh Mineral	1. A Fine of JD 250 2. Recorded in JSC's Records
123	Jordan National Shipping Lines	1. A Fine of JD 400 2. Recorded in JSC's Records
124	Zarka Educational & Investment	1. A Fine of JD 250 2. Recorded in JSC's Records
125	Elzay Ready Wear Manufacturing	1. A Fine of JD 300 2. Recorded in JSC's Records
126	Middle East Pharmaceutical & Chemical Industries & Medica	1. A Fine of JD 400 2. Recorded in JSC's Records
127	Falcon for Investment & Financial Services	1. A Fine of JD 400 2. Recorded in JSC's Records
28	Arab Engineering Industries	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC
129	Arab Real Estate Development	1. A Fine of JD 250 2. Recorded in JSC's Records
130	Jordan Hotels & Tourism	1. A Fine of JD 300 2. Recorded in JSC's Records
131	Ready Mix Concrete and Construction Supplies	1. A Fine of JD 600 2. Recorded in JSC's Records

**Table 5**  
**Issuing Companies that Failed to Submit to the JSC their**  
**Annual Reports within the Specified Period.**

No.	Violating Company	Measures taken
1	Specialized Jordanian Investment	1. A Fine of JD 500 2. Recorded in JSC's Records
2	The Industrial Commercial and Agricultural Co.	1. A Fine of JD 1500 2. Recorded in JSC's Records
3	Jordan Projects for Tourism Development	1. A Fine of JD 500 2. Recorded in JSC's Records
4	Investments and Integrated Industries Co. Plc	1. A Fine of JD 1500 2. Recorded in JSC's Records
5	Al- Ro'ayah for Investment Company	1. A Fine of JD 1500 2. Recorded in JSC's Records
6	The Consulting & Investment Group	1. A Fine of JD 500 2. Recorded in JSC's Records
7	United Arab Investors	1. A Fine of JD 750 2. Recorded in JSC's Records
8	The Investor and Eastern Arab for Industri and Real Estate	1. A Fine of JD 1500 2. Recorded in JSC's Records
9	Beit Al- Mal Saving and Investment for Housing	1. A Fine of JD 1000 2. Recorded in JSC's Records
10	Zara Investment (Holding) Co. LTD	1. A Fine of JD 250 2. Recorded in JSC's Records
11	Amman Development and Investment	1. A Fine of JD 1500 2. Recorded in JSC's Records
12	Jordan Phosphate Mines	1. A Fine of JD 750 2. Recorded in JSC's Records

**Table 6**  
**Parties that Failed to Notify the JSC, within the Specified Period, of their Ownership of 5% or more of the**  
**Securities of an Issuing Company, or those who did not Disclose their Intention of Purchasing when their**  
**Ownership Reached 10%.**

No.	Violating Company	Measures taken
1	Arab American Company for Financial and Real Estate Investments	1. A Fine of JD 500 2. Recorded in JSC's Records
2	Hamzah Ahmad Yousef Tantash	1. A Fine of JD 750 2. Recorded in JSC's Records
3	Jordan Global Food Distribution Company	1. A Fine of JD 500 2. Recorded in JSC's Records
4	Mahammad Amein Salem Abu Assaf	Recorded in JSC's Records
5	Hamzah Ahmad Yousef Tantash	1. A Fine of JD 250 2. Recorded in JSC's Records



**Table 7**  
**Issuing Companies that Failed to Submit to the JSC a Detailed Report on Material Information.**

No.	Violating Company	Measures taken
1	Arab American Takaful Insurance	1. A Fine of JD 500 2. Recorded in JSC's Records 3. Warned not to Repeat Violation

**Table 8**  
**Issuing Companies that Failed to Submit to the JSC their Semiannual Reports within the Specified Period.**

No.	Violating Company	Measures taken
1	Jordan Mortgage Refinance	Recorded in JSC's Records
2	Batelco Jordan	Recorded in JSC's Records
3	The Industrial Commercial and Agricultural	1. A Fine of JD 1000 2. Recorded in JSC's Records
4	Arab German Insurance	1. A Fine of JD 1000 2. Recorded in JSC's Records
5	Specialized Trading And Investment Co.	Recorded in JSC's Records
6	Ihdathiat Real Estate Company PLC	Recorded in JSC's Records
7	Jordan Clothing	1. A Fine of JD 500 2. Recorded in JSC's Records
8	Jordan Islamic Bank for Finance and Investment	Recorded in JSC's Records
9	Trust International Transport Co.	Recorded in JSC's Records
10	Jordan National Shipping Lines	1. A Fine of JD 500 2. Recorded in JSC's Records
11	Arab Real Estate Development	Recorded in JSC's Records
12	Resourcas Company for Development and Investment PLC	1. A Fine of JD 750 2. Recorded in JSC's Records
13	Afia International Company – Jordan	1. A Fine of JD 750 2. Recorded in JSC's Records
14	Jordan Phosphate Mines	1. A Fine of JD 1000 2. Recorded in JSC's Records
15	Nopar for trading and Investment	1. A Fine of JD 500 2. Recorded in JSC's Records
16	Afaq for investment and Real Estate Development	1. A Fine of JD 1500 2. Recorded in JSC's Records

**Table 9**  
**Issuing Companies that Failed to Cover the Subscription in Shares of Capital Increase in Accordance with the Decision of the JSC Board of Commissioners.**

No.	Violating Company	Measures taken
1	Elzay Ready Wear Manufacturing	1. A Fine of JD 7000 2. Recorded in JSC's Records

**Table 10**  
**Primary Issue Management Companies that Failed to Take the Necessary Procedures for Issuing, Registering, and Covering the Securities**

No.	Violating Company	Measures taken
1	Arab Consultants Financial Services Co.*	1. A Fine of JD 500 2. Recorded in JSC's Records
2	Arab Consultants Financial Services Co.	1. A Fine of JD 500 2. Recorded in JSC's Records
3	Investment House for Financial Services	Recorded in JSC's Records

\*The Violation was Repeated Twice by the Same Company and so the Same Measure was Taken Against it

**Table 11**  
**Issuing Companies that Failed to Complete Issuing Procedures at the JSC and the SDC within the Specified Period.**

No.	Violating Company	Measures taken
1	Jordan Ta'ameer Plc	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC
2	First Finance	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC
3	Al- Bilad Securities and Investment	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC
4	Jordan National Bank	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC
5	Masafat for Specialized Transportation	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC
6	Al- Sanabel International for Islamic Financial Investment	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC

**Table 12**  
**Issuing Companies that Failed to Notify the JSC of the Board of Director's Recommendation to Buy Treasury Bonds and Publicize that Recommendation.**

No.	Violating Company	Measures taken
1	Jordanian Expatriates Investment Holding	1. Recorded in JSC's Records 2. Ordered to Comply with the Law, Instructions and Decisions of the JSC

**Table 13**  
**The Brokerage Firm that Committed Violations by Submitting Incorrect Data, Failing to Submit to the JSC any Agreement with Banks Immediately upon its Entering into Force, Failing to Collect Accounts Receivable that Resulted From Purchasing within the Specified Period, and Failing to Include Material Information in Agreements Signed with Customers.**

No.	Violating Company	Measures taken
1	Al- Reda for Financial Services	1. A Fine of JD 5500 2. Recorded in JSC's Records



**Table 14**  
**Brokerage Firms that Behaved in a Manner to Give a Misleading Impression Regarding the Price, or Volume of Trading in any Security.**

No.	Violating Company	Measures taken
1	Capital Bank of Jordan	1. A Fine of JD 750 2. Recorded in JSC's Records
2	The Arab Financial Investment Co.	1. A Fine of JD 750 2. Recorded in JSC's Records
3	Al- Ammal Financial Investment Co.	1. A Fine of JD 2250 2. Recorded in JSC's Records 3. Warned to Repeat Violation
4	Jordan National Bank	1. A Fine of JD 750 2. Recorded in JSC's Records 3. Warned not to Repeat the Violation
5	Arab Co- Operation Financial Investment	1. A Fine of JD 750 2. Recorded in JSC's Records
6	Arab Co- Operation Financial Investment	1. A Fine of JD 2000 2. Recorded in JSC's Records
7	Safwa for Financial Investment LLC	1. A Fine of JD 500 2. Recorded in JSC's Records
8	Aman for Securities LTD	1. A Fine of JD 500 2. Recorded in JSC's Records
9	Imcan for Financial Services	1. A Fine of JD 1500 2. Recorded in JSC's Records
10	Union Jordan Investment Bank	1. A Fine of JD 500 2. Recorded in JSC's Records
11	Bank of Jordan	1. A Fine of JD 500 2. Recorded in JSC's Records
12	Shares House for Securities	1. A Fine of JD 500 2. Recorded in JSC's Records
13	Shareco Brokerage Co. LTD	1. A Fine of JD 3000 2. Recorded in JSC's Records
14	International Financial Center	1. A Fine of JD 500 2. Recorded in JSC's Records
15	Imcan for Financial Services	1. A Fine of JD 500 2. Recorded in JSC's Records
16	Jordan Investment and Financial Bank	1. A Fine of JD 500 2. Warned not to Repeat Commlitry Violation 3. Recorded in JSC's Records
17	The Arab Financial Investment	1. A Fine of JD 750 2. Warned not to Repeat the Violation 3. Recorded in JSC's Records

**Table 15**  
**The Brokerage Firm that Committed a Violation by Failing to Observe the Interests of the Customer and Failing to Comply with the Rules of Code of Conduct.**

No.	Violating Company	Measures taken
1	Jordan Investment and Financial Bank	1. A Fine of JD 300 2. Recorded in JSC's Records

**Table 16**  
**Financial Services Companies that Committed Prohibited Acts.**

No.	Violating Company	Measures taken
1	Capital Bank of Jordan	1. Recorded in JSC's Records 2. Ordered to stop Committing Violations
2	Al- wameedh for Financial Services and Investment	1. A Fine of JD 2000 2. Recorded in JSC's Records

**Table 17**  
**Brokerage Firms that Committed Violations by Behaving in a Manner to Give a Misleading Impression Regarding the Price, or Volume of Trading in any Security, and Conducting Operations that do not Conform to the Fair Market Practices.**

No.	Violating Company	Measures taken
1	Business Women Co. for Trading Securities	1. A Fine of JD 250 2. Recorded in JSC's Records
2	Ajjad for Securities	1. A Fine of JD 250 2. Recorded in JSC's Records
3	United Arab Jordan for Investment and Financial Brokerage	1. A Fine of JD 250 2. Recorded in JSC's Records
4	Osool Investment and Financial Services Co.	1. A Fine of JD 250 2. Recorded in JSC's Records
5	Experts Financial Center	1. A Fine of JD 250 2. Recorded in JSC's Records
6	International Financial Center	1. Recorded in JSC's Records 2. Warned not to Repeat the Violation
7	The Arab Financial Investment	1. A Fine of JD 250 2. Recorded in JSC's Records
8	International Financial Center	1. A Fine of JD 250 2. Recorded in JSC's Records
9	National Port Folio Securities PLC	1. A Fine of JD 250 2. Recorded in JSC's Records
10	Samir Et Sameh Bros. for Investment	1. A Fine of JD 250 2. Recorded in JSC's Records

**Table 18**  
**The Financial Services Company that Committed Violations by Conducting its Activities through Branches within the Kingdom without the Approval of the JSC, Failing to Notify the JSC of any Changes in Information Regarding the Company, and Providing Incorrect Data in the Documents Submitted to the JSC.**

No.	Violating Company	Measures taken
1	Asia Financial Broker	1. A Fine of JD 5000 2. Recorded in JSC's Records





Table 19

The Financial Services Company that Committed Violations by Submitting Incorrect and Misleading Data, Striking out the Clause "First Beneficiary Only" From Issued Cheques, Failing to Send Account Statements on a Regular Basis, Selling Securities without Ascertaining their Ownership, and Failing to Include in Agreements the Information Required by Regulations and Instructions.

No.	Violating Company	Measures taken
1	Safwa for Financial Investment LLC	1. A Fine of JD 5000 2. Recorded in JSC's Records 3. Ordered to Comply with the Decisions

Table 20

The Brokerage Firm that Committed Violations by Failing to Ratify the Agreement of Trading in Securities, Failing to Notify the JSC of Agreements Submitted by its Subsidiaries that Affect its Financial Situation, and Failing to Record the Time and Date of Receiving Authorizations.

No.	Violating Company	Measures taken
1	Osool Investments and Financial Services Co.	1. A Fine of JD 500 2. Recorded in JSC's Records 3. Ordered to Comply with the Decisions

Table 21

The Financial Services Company that Failed to Employ a Compliance Officer.

No.	Violating Company	Measures taken
1	National Portfolio Securities PLC	Recorded in JSC's Records

Table 22

The Financial Services Companies that Failed to Submit its Semiannual Report to the JSC.

No.	Violating Company	Measures taken
1	Aman for Securities LTD	1. A Fine of JD 1500 2. Recorded in JSC's Records 3. Ordered to Submit to the JSC the Semi Annual Reports on time, Reviewed by auditors and Ratified by the Company's Board of Directors
2	Arab Falcon for Selling and Buying Securities	1. A Fine of JD 500 2. Recorded in JSC's Records

Table 23

The Financial Services Company that Failed to Provide the JSC with a Breakdown of its Portfolio of Securities.

No.	Violating Company	Measures taken
1	Al- Fares Financial Investments	Recorded in JSC's Records

**Table 24**  
**The Brokerage Firms that Violated the Financial Adequacy Instructions and Requirements.**

No.	Violating Company	Measures taken
1	Osool Investments and Financial Services Co.	1. Total Partners Withdrawals Exceeded 20% of paid up Capital 2. Net Owners Equity Dropped below 75% of Paid up Capital
2	Al- Wameedh for Financial Services and Investment	1. Total Partners Withdrawals Exceeded 20% of paid up Capital 2. Net Owners Equity Dropped below 75% of Paid up Capital
3	Al- Omana'a Portfolio and Investment Co.	1. Total Partners Withdrawals Exceeded 20% of paid up Capital 2. Net Owners Equity Dropped below 75% of Paid up Capital
4	Al- Aula Financial Investment	Total Partners Withdrawals Exceeded 20% of paid up Capital
5	Jordanian Expatriates for Financial Brokerage	Total Partners Withdrawals Exceeded 20% of paid up Capital
6	Experts Financial Services	Total Partners Exceeded 20% of paid up Capital
7	Al- Fares Financial Investment	Total Partners Exceeded 20% of paid up Capital
8	Alaula Financial Investments	Total Partners Exceeded 20% of paid up Capital
9	Al- Eman Financial Investments Co.	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
10	Imcan for Financial Services	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
11	Osool Investments and Financial Services Co.	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
12	Jordan of Gulf Investment	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
13	The Financial Company for Shares and Bonds	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
14	Al- Jazeera for Financial Investments Co.	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
15	Experts Financial Services	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
16	Al- Wameedh for Financial Services and Investment	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
17	Al- Jazeera for Financial Investments Co.	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
18	Friends Financial Investment of Brokerage	Failed to Keep Liquid Assets to Cover 100% of Short Term Liabilities
19	Al- Wameedh for Financial Services and Investment	Net Owners Equity Dropped below 75% of Paid up Capital
20	Al- Wameedh for Financial Services and Investmen	Net Owners Equity Dropped below 75% of Paid up Capital
21	Al- Aula Financial Investment	Net Owners Equity Dropped below 75% of Paid up Capital
22	Al- Wameedh for Financial Services and Investmen	Net Owners Equity Dropped below 75% of Paid up Capital



No.	Violating Company	Measures taken
23	Al- Reda for Financial Services	<ol style="list-style-type: none"> <li>Violated the Ratio of Total Liabilities to Owner's Equity</li> <li>Violated the Ratio of Partner's Current Account to Paid up Capital</li> <li>Violated the Liquidity Ratio</li> <li>Violated the Ratio of Modified Owner's Equity to Annual Expenses of the Previous Year</li> <li>Violated the Ratio of Net Owner's Equity to Paid up Capital</li> </ol> <ol style="list-style-type: none"> <li>A Fine of JD 250</li> <li>Recorded in JSC's Records</li> </ol>
24	Al- Reda for Financial Services	<p>Total Liabilities Exceeded 250% of Owner's Equity</p> <ol style="list-style-type: none"> <li>A Fine of JD 250</li> <li>Recorded in JSC's Records</li> </ol>
25	Al Shorouq Financial Brokers	<p>Total Liabilities Exceeded 250% of Owner's Equity</p> <ol style="list-style-type: none"> <li>A Fine of JD 250</li> <li>Recorded in JSC's Records</li> </ol>
26	Arab Falcon for Selling of Buying Securities	<p>Total Liabilities Exceeded 250% of Owner's Equity</p> <ol style="list-style-type: none"> <li>A Fine of JD 250</li> <li>Recorded in JSC's Records</li> </ol>
27	Safwa for Financial Investment	<ol style="list-style-type: none"> <li>Violated the Ratio of Partner's Current Account to Paid up Capital</li> <li>Violated the Ratio of Net Owner's Equity to Paid up Capital</li> </ol> <ol style="list-style-type: none"> <li>A Fine of JD 500</li> <li>Recorded in JSC's Records</li> </ol>
28	Elite Financial Services	<ol style="list-style-type: none"> <li>Violated the Ratio of Accounts Receivables to Owner's Equity</li> <li>Violated the ratio of total liabilities to owner's equity</li> <li>Violated the Ratio of Partner's Current Account to Paid up Capital</li> <li>Violated the Liquidity Ratio</li> <li>Violated the Ratio of Net Owner's Equity to Paid up Capital</li> </ol> <ol style="list-style-type: none"> <li>A Fine of JD 2250</li> <li>Recorded in JSC's Records</li> </ol>
29	Aleman Financial Services	<p>Failed to Keep Modified Owner's Equity not Less than 25% of Annual Expenses to The Previous Year</p> <ol style="list-style-type: none"> <li>A Fine of JD 1250</li> <li>Recorded in JSC's Records</li> </ol>
30	Sukook Investment and Brokerage	<p>Failed to Keep Modified Owner's Equity not Less than 25% of Annual Expenses to The Previous Year</p> <ol style="list-style-type: none"> <li>A Fine of JD 250</li> <li>Recorded in JSC's Records</li> </ol>
31	Aman for Securities	<p>Failed to Keep Modified Owner's Equity not Less than 25% of Annual Expenses to The Previous Year</p> <ol style="list-style-type: none"> <li>A Fine of JD 1500</li> <li>Recorded in JSC's Records</li> </ol>
32	Al- Reada for Financial Services	<ol style="list-style-type: none"> <li>Total Liabilities Exceeded 250% of Owner's Equity</li> <li>Failed to Keep Liquid Assets to Cover 100% of Liabilities</li> <li>Failed to Keep Modified Owners Equity not Less than 25% of Annual Expenses to the Previous Year</li> <li>Decrease the Total of Owner's Equity Than 75% of Capital</li> </ol> <ol style="list-style-type: none"> <li>A Fine of JD 5500</li> <li>Recorded in JSC's Records</li> </ol>
33	Al- Aula Financial Investment	<ol style="list-style-type: none"> <li>Total Liabilities Exceeded 250% of Owner's Equity</li> <li>Failed to Keep Modified Owner's Equity Not Less than 25% of Annual Expenses of the Previous Year</li> </ol> <ol style="list-style-type: none"> <li>A Fine of JD 1000</li> <li>Recorded in JSC's Records</li> </ol>
34	Al- Aula Financial Investments	<ol style="list-style-type: none"> <li>Total Partner's Withdrawals Exceeded 20% of Paid up Capital</li> <li>Failed to keep Liquid Assets to Cover 100% of Short Term Liabilities</li> <li>Failed to keep Modified Owner's Equity Not Less than 25% of Annual Expenses of the Previous Year</li> </ol> <ol style="list-style-type: none"> <li>A Fine of JD 900</li> <li>Recorded in JSC's Records</li> </ol>
35	Al- Fares Financial Investments	<ol style="list-style-type: none"> <li>Violated the Ratio of Accounts Receivable.</li> <li>Violated the Ratio of Modified Owner's Equity to Annual Expenses of the Previous Year</li> <li>Violated the Ratio of Accounts Payable to Owner's Equity</li> <li>Violated the Ratio of Total Liabilities to Owner's Equity</li> <li>Violated the Ratio of Partner's Current Account to Paid up Capital</li> </ol> <p>Recorded in JSC's Records</p>



No.	Violating Company	Measures taken
36	Al- Fares Financial Investments	<ol style="list-style-type: none"> <li>1. Violated the Liquidity Ratio</li> <li>2. Violated the Ratio of Accounts Receivable to Owner's Equity</li> <li>3. Violated the Ratio of modified Owner's Equity to Annual Expenses of the Previous Year</li> <li>4. Violated the Ratio of Accounts Payable to Owner's Equity</li> <li>5. Violated the Ratio of Total Liabilities to Owner's Equity</li> <li>6. Violated the Ratio of Net Owner's Equity to Paid up Capital</li> </ol> Recorded in JSC's Records
37	Al- Aula Financial Investments	<ol style="list-style-type: none"> <li>1. Total Accounts Receivable Resulting from Trading Exceeded 200% Owner's Equity</li> <li>2. Brokers Whose Total Liabilities Exceeded 250% of Owner's Equity</li> </ol> <ol style="list-style-type: none"> <li>1. A Fine of JD 500</li> <li>2. Recorded in JSC's Records</li> </ol>
38	Osool Investments and Financial Services	<ol style="list-style-type: none"> <li>Total Accounts Receivable Resulting from Trading Exceeded 200% Owner's Equity</li> </ol> <ol style="list-style-type: none"> <li>1. A Fine of JD 500</li> <li>2. Recorded in JSC's Records</li> </ol>
39	Osool Investments and Financial Services	<ol style="list-style-type: none"> <li>1. Total Accounts Receivable Resulting from Trading Exceeded 200% Owner's Equity</li> <li>2. Total Partner's Withdrawals Exceeded 20% of Paid up Capital</li> </ol> <ol style="list-style-type: none"> <li>1. A Fine of JD 500</li> <li>2. Recorded in JSC's Records</li> </ol>

\* Violation was Repeated Twice by the Same Company, so the Same Measure was Taken Against it

**Table 25**  
**The Brokerage Firm that Exceeded the Upper Permitted Limit for Granting Margin Financing.**

No.	Violating Company	Measures taken
1	Capital Bank	Exceeding The Margin Financing Limits <ol style="list-style-type: none"> <li>1. A Fine of JD 1500</li> <li>2. Recorded in JSC's Records</li> </ol>





# 2006

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