



هيئة الأوراق المالية
Jordan Securities Commission

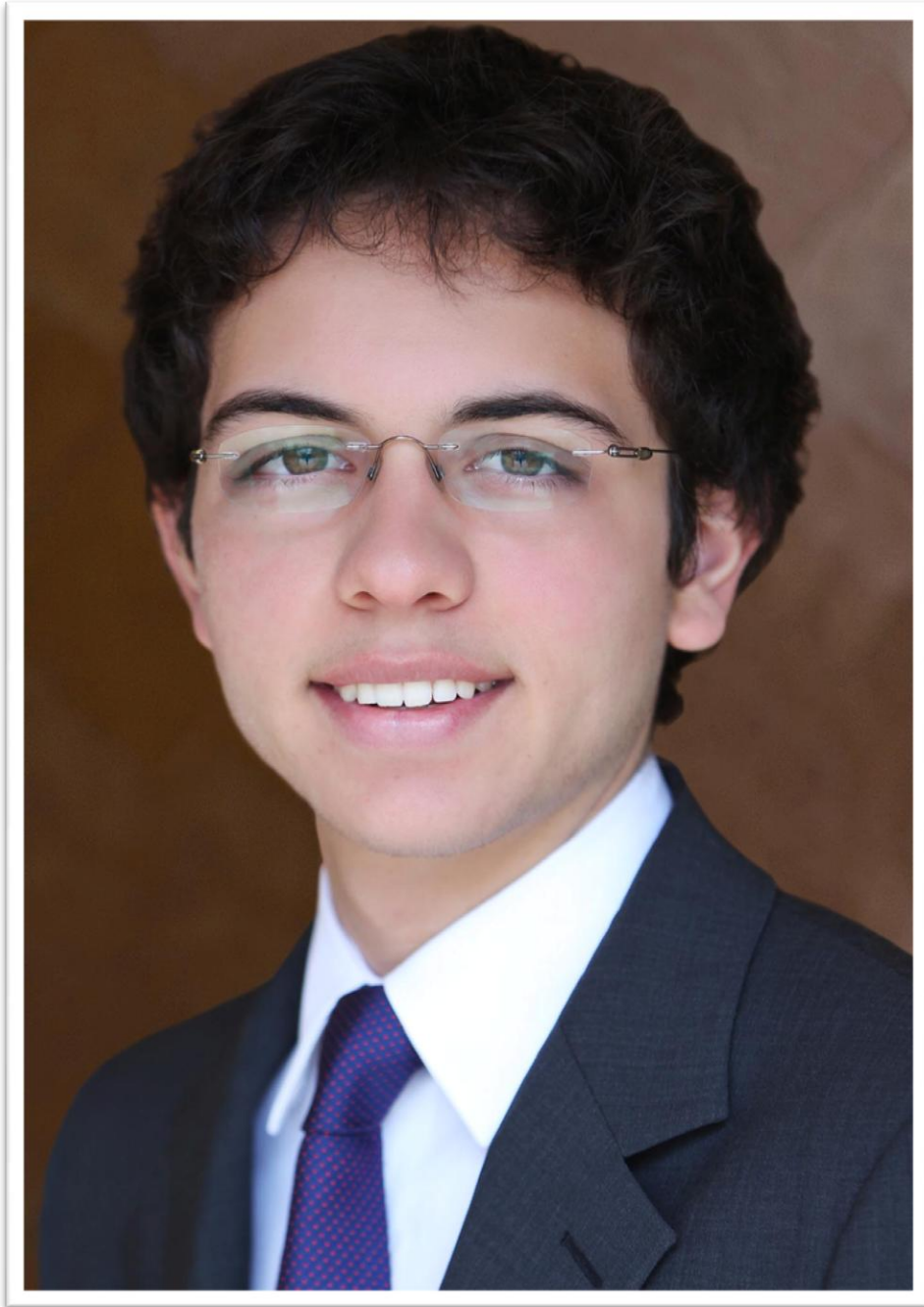
Annual Report
2012



An administration which can achieve objectives at lower cost and in less time is a judicious administration which helps create effective and specialized institutions acting with team spirit under efficient and able leadership marked by integrity, placing the public interest above all other considerations. It is one that is characterized by justice, initiative and creativity, focusing on fieldwork, confronting problems before they arise and before they became too complicated to solve. This administration should be free of the ills of exploitation, favorites, and manipulation. Public administration requires restructuring to prevent any overlapping of duty and duality and also calls for the choice of leaders and employees on the basis of efficiency, experience and integrity, free of factionalism and fanaticism for any purpose or party.

His Majesty King Abdullah II bin Al-Hussein

March 4 1999



His Royal Highness Prince Hussein bin Abdullah II

- **Vision**

A national capital market characterized by fairness, transparency and efficiency.

- **Mission**

To supervise and develop the capital market by regulating issuance, disclosure, financial services activities, and dealing in securities according to the most up-to-date standards and international best practices with the aim to enhance the investors protection and the capital market contribution to the national economy.

- **Objectives**

1. To regulate and develop the national capital market.
2. To protect investors in securities.
3. To protect the capital market from any dangers.
4. To increase awareness in the market activities rules.
5. To increase awareness of investment in the market at various fields.

Mr. Mohammed Saleh Al-Hourani

Chairman



Mr. Mohammed Saleh Hourani assumed his duties as a Chairman of the Board of Commissioners of Jordan Securities Commission (JSC) on September 1st, 2012. Mr. Hourani previously assumed several posts in numerous ministries & institutions as follows:

In 2002 to 2012, Mr. Hourani assumed his duties as Chairman of the Board of Directors of Amman Stock Exchange (ASE).

In 1997 to 1999, H.E Mr. Hourani assumed his duties as Minister of Energy & Natural Resources & in 1998 to 1999, he assumed his duties as Minister of Industry & Trade.

In 1994 to 1997 & in 1992 to 1994, Mr. Hourani assumed his duties as General Manager of two institutions: Al-Sharq Investment Projects Company & the Social Security Corporation, respectively.

In 1989 to 1992, Mr. Hourani assumed his duties as Deputy Governor of the Central Bank of Jordan Mr. Hourani was appointed Chairman & member of Boards of Directors of several public shareholding companies & public institutions in the investment & development sectors.

Mr. Hourani was a part -time lecturer in Amman Private University & the Institute of Banking Studies & participated in many economic seminars & conferences.

Mr. Hourani was bestowed the Medal of the Star of Jordan of the First Order, Mr. Hourani is a holder of a Master degree in Management from the University of Southern California, Los Angeles, U.S.A. in 1973.

Mr. Mansour Haddadin

Deputy Chairman



Mr. Haddadin is the Deputy Chairman of Jordan Securities Commission since September 1st, 2012. Prior to that date, Mr. Haddadin served as the Deputy Chairman of the Board of the Amman Stock Exchange (ASE).

In 1966, Mr. Haddadin assumed several duties at the Ministry of Finance and represented the Government in a number of institutions, companies, committees and Arab and international events. Mr. Haddadin last post at the Ministry of Finance was the Director of Finance. From 1982 to 1990, Mr. Haddadin represented the Ministry in the Administrative Committee of the Amman Financial Market.

On the 1st of November, 1991 Mr. Haddadin assumed his duties as the General Director of the Income Tax Department for eight consecutive years.

In 2000 & 2001, Mr. Haddadin was a lecturer in the Faculties of Law and Business Administration at the University of Jordan.

Mr. Haddadin holds a B.A in Law from the University of Damascus and an MA in Comparative Law from George Washington University.

Mrs. Muna AL-Mufti**Commissioner**

Mrs. Mufti was appointed a Commissioner at the Jordan Securities Commission on February 2nd, 2012. Prior to this appointment and during the period 2006-2011, she served as the director of the Legal Affairs and Enforcement Department at the JSC.

From 2000- 2006, she worked as a senior lawyer at a private law firm. She was also a member of the Legal Department at Cairo Amman Bank from 1990-1999.

Mrs. Mufti took part and represented the JSC in several conferences, workshops, and training seminars most notably State Disputes Settlement: Challenges and Perspectives for Arab Countries held in Cairo – Egypt, 2008, International Anti – Money Laundering / Counter – Financing of Terrorism held in Washington D.C 2007, International Institute for Securities Markets Development held at US Securities and Exchange Commission, Washington / USA 2007, Securities Market Development: a Program of comprehensive professional panels and workshops regarding the development and regulation of Securities markets, held at US Securities and Exchange commission, Washington / USA 2007, and Latest in Construction Law And Practice at Hawksmere Institute / Cambridge London 2002.

Mrs. Mufti holds a BA in Private Law from the University of Jordan in 1982.

Dr. Izzeddin Kanakrieh**Commissioner**

Dr. Izzeddin M. Kanakrieh started his duties as a Commissioner at Jordan Securities Commission (JSC) on September 1st, 2012.

Prior to joining the (JSC), Dr. Kanakrieh served as Secretary General to the Ministry of Finance since 2007. In this capacity, he represented the Government of Jordan in a number of institutions, companies and committees, both regional and international. These include the Arab Monetary Fund as well as the IMF. Dr. Kanakrieh took part in drafting financial and economic policies as well as implementing programs related to Economic and Social Reform, Fiscal Reform and Developing Financial Management.

Additionally, Dr. Kanakrieh was a member of several Boards of Directors of Jordanian institutions and companies.

Dr. Kanakrieh started his career at the Ministry of Finance in 1986 and throughout the years assumed several duties. These ranged from a Financial Analyst for Public Treasury and Expenditures Accounts (1986 - 1993), to Head of the Credit & Energy Division (1993 - 2001), Director of the Cash Management Department (2001 - 2005) and Secretary General Assistant for Financial Affairs (2005 - 2007).

In 2007, Dr. Kanakrieh received the Medal of Independence of the Second Order for Excellence in Business Performance.

Dr. Kanakrieh received his BSc. in Economics from Yarmouk University in 1984 and obtained his MSc. in Finance and Accounting from the Arab Academy for Financial and Banking Sciences in 1997. He received his PhD in Finance from Amman Arab University in 2010.

Mr. Majd Shafiq**Commissioner**

Majd Shafiq is a capital markets expert with more than 25 years' experience in this sector.

Prior to joining the Jordan Securities Commission, Mr Shafiq provided corporate finance and economic advisory services on public and private equity situations in the Middle East. His assignments included consulting for clients on developments in European and Arab stock markets and exchanges.

Mr Shafiq served as Senior Advisor to the Dubai Financial Market. In this capacity, he worked on formulating the exchange's local, regional and international strategy with specific recommendations for internal and external actions, as well as marketing listed firms to international investors, revising corporate governance and disclosure requirements, and helping manage the exchange's proprietary investment book.

Mr Shafiq was Senior Advisor to a USAID Jordan capital markets development program with responsibilities that included managing the Arab World's first attempt at creating a regional stock market, producing a strategy and business plan for the Amman Stock Exchange, assessing the current and future financial standings of the JSC, ASE and SDC, planning for the issuance of privatization bonds as well as leading efforts on the introduction of restructuring and recapitalization laws and regulations in the Kingdom.

Previously, Mr Shafiq was part of the team that set up Jordinvest, an investment banking firm, and worked there as a Manager responsible for Direct Investments.

Mr Shafiq completed his undergraduate studies in Politics and Economics at the United Arab Emirates University in Al Ain in 1986 and conducted his graduate studies at Harvard University's School of Government from 1986 to 1988.

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Chairman's Message

It is my pleasure to present, in my own name and on behalf of my colleagues, members of the Board of Commissioners, the 2012 annual report, which reviews the principal regulatory and legislative developments in the national capital market and the performance of the stock exchange. The Jordan Securities Commission (JSC) continued to strengthen its supervisory role as the regulatory body of the national capital market, as well as its efforts to enhance investor protection in the securities market, develop the market, strengthen confidence in it, and take all measures that uphold the rule of law and achieve fairness, efficiency and transparency.

In the area of legislations and regulations that govern the market, the JSC initiated a comprehensive review of the legislative and regulatory frameworks of the national capital market in order to develop and update them in accordance with the latest international practices and standards, to enhance market stability and investor protection. Work has started on the preparation of an amended draft of the Securities Law that includes a number of amendments to strengthen the supervisory role of JSC, enhance the depth and breadth of the market, encourage the establishment of mutual funds, and make possible the development of new investment tools in the market. Instructions were also drafted and published on the Commission website to get feedback from stakeholders. One of the most important of these was the Centralized Risk System Draft Instructions, which aims to provide credible information to help financial brokerage firms in making decisions related to financing their clients; another was the Draft Instructions on Trading by Members of the Boards of Directors of Financial Brokerage Firms and Related Parties, which aims to strengthen investor protection in the capital market by stipulating special conditions for trading by insiders and the executive managements of these firms and

related parties. The Commission also prepared a draft amendment to the Instructions on Margin Financing, which aims to enhance the framework that regulates the relationship between the broker and the client in margin financing, and reduce risks that may result from the funding operation. The Board of Commissioners also approved new instructions for listing securities on the stock exchange in order to enhance market efficiency as well as confidence and transparency in the market, which was divided into three markets according to specific criteria that contribute to providing clearer information to investors with regard to risk levels of listed companies. In addition, in light of the enactment of the Islamic Finance Sukuk Law after the Commission participated as a member of the special committee for preparing the draft sukuk, JSC started work to prepare the legislation that would govern trading in these important instruments, which will help attract investments to the market and increase its depth and width.

In order to develop and enhance the efficiency of technical and electronic systems used in the JSC, a number of electronic systems were completed, most notably the electronic disclosure system (E-Filing), which will enable public shareholding companies to provide the Commission with information electronically, thereby improving the accuracy and speed of disclosure by these companies, and ensuring the safety and confidentiality of information flow until it is disclosed to all investors. The project entered the pilot phase in 2012, when it was applied experimentally to six companies, with the aim of applying the system to all other companies subsequently. Moreover, programming and development of the first phase of the Department of Licensing and Inspection Systems Automation Project was completed. The Project aims to automate office activities in the Department of Licensing and Inspection that include the electronic issuance and renewal of licenses for financial services companies and registered professional persons who work in these companies, as well as complaints,

violations and warranties related to these companies and persons. In view of the preparation of the Centralized Risk System Draft Instructions, the Commission started work to implement the Centralized Clients' Risk System Project, which aims to help financial brokerage firms make decisions concerning the financing of their clients through an electronic system that allows financial brokerage firms to query and access information by means of an authorization by clients related to their centralized risk information.

In the area of Arab and international Cooperation, the Jordan Securities Commission continued its efforts to deepen and expand areas of cooperation with international organizations, regulatory bodies, and Arab and international organizations in areas that serve its objectives and enable it to keep abreast with developments related to its work. The Commission took part in a number of activities of the International Organization of Securities Commissions (IOSCO) and the Union of Arab Securities Authorities (UASA). JSC also participated in meetings on the Arab and international levels, signed of a memorandum of understanding (MoU) with the Securities and Exchange Commission of Pakistan, and prepared draft memoranda of understanding and cooperation with a number of international regulatory bodies in preparation for signing them in the near future.

The Amman Stock Exchange (ASE) circumstances to be affected by the conditions that prevail in the national economy, the consequences of political unrest in the region, crises in regional and global financial markets, as well as the reduction in liquidity directed to investment in securities. Since the ASE is the mirrors of the performance of the national economy and the surrounding circumstances, which are generally beyond the control of the Commission, ASE's performance indicators retreated in

general. Some indicators retreated marginally in 2012. The general share price index decreased by 1.9 %. The market capitalization of listed shares was JD 19 billion in 2012, a decrease of 1.2 %. The volume of trading was JD 2 billion, down by 30% from 2011. In spite of that and as a sign of continued confidence in the national capital market, the ratio of non - Jordanian ownership in the market value of listed shares rose from 51.3 % to 52.7%

With regard to primary issues, their overall value increased by the end of 2012 to JD 6.2 billion, compared with JD 5.1 billion at the end of 2011, an increase of 23%. The value of government bonds rose to JD 6 billion by the end of 2012, compared with JD 4.9 billion in 2011, an increase of 22%. Issuance of shares also rose in value to JD 144.8 million, compared with JD 136.6 million by the end of 2011, an increase of 6%.

In conclusion, I would like to express my sincere appreciation to my colleagues, members of the Board of Commissioners and all the staff of the JSC for their professionalism and their good efforts, perseverance, and integrity. I am full of confidence that these efforts will continue, leading to an improved performance and greater achievements that realize the objectives of the JSC to upgrade the national capital market to the ranks of advanced markets, to contribute to strengthening the national economy and enhancing its progress, and to help achieve the higher national goals of keeping Jordan strong and proud, and bringing prosperity to its good and loyal people.

**May Allah protect our Precious Jordan and our beloved King
Abdulla II bin Al-Hussein**

**Mohammad Saleh Al-Hourani
Chairman of the Board of Commissioners**

The Jordan Securities Commission (JSC)

Legal Status

The Jordan Securities Commission was established by means of the Securities Law No. 76 for the year 2002. 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, to regulate and develop the capital market to ensure fairness, efficiency and transparency, and to protect it from any possible threat and danger that it may face.

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 fulfill the goals for which the Commission was established, which include drafting legislations and regulations, issuing instructions, approving bylaws and instructions of the Amman Stock Exchange (ASE) and Securities Depository Center (SDC), granting licenses to financial services companies and capital market registered persons, approving the registration of securities and mutual funds, adopting standards of accounting, auditing,

and performance evaluation that are binding for all parties subject to the supervision of the Commission.

Parties subject to JSC's supervision

The following are subject to the supervision and oversight of the JSC:

1. Amman Stock Exchange
2. Securities Depository center
3. Public shareholding companies exporting Securities
4. licensed financial services companies
5. Certified financial licensors
6. Mutual funds and investment companies

Scope and legality of the Commission mission according to the Law

Article (6) from the Securities Law No. (76) for the year 2002 identified the commission mission as follows:

“Notwithstanding what is stated in any other legislation, the provisions stipulated in this Law and regulations, instructions and decisions issued pursuant there to shall apply to company shares and other traded securities on the market (Amman Stock Exchange)”.

Board Meetings

The Securities Law stipulates that the Board of Commissioners should meet at least once a month, and whenever the need arises. In 2012, the Board held 35 meetings. The meeting is in quorum if attended by not less than four commissioners provided that the Chairman or his Deputy, in case of absence, is in the quorum.

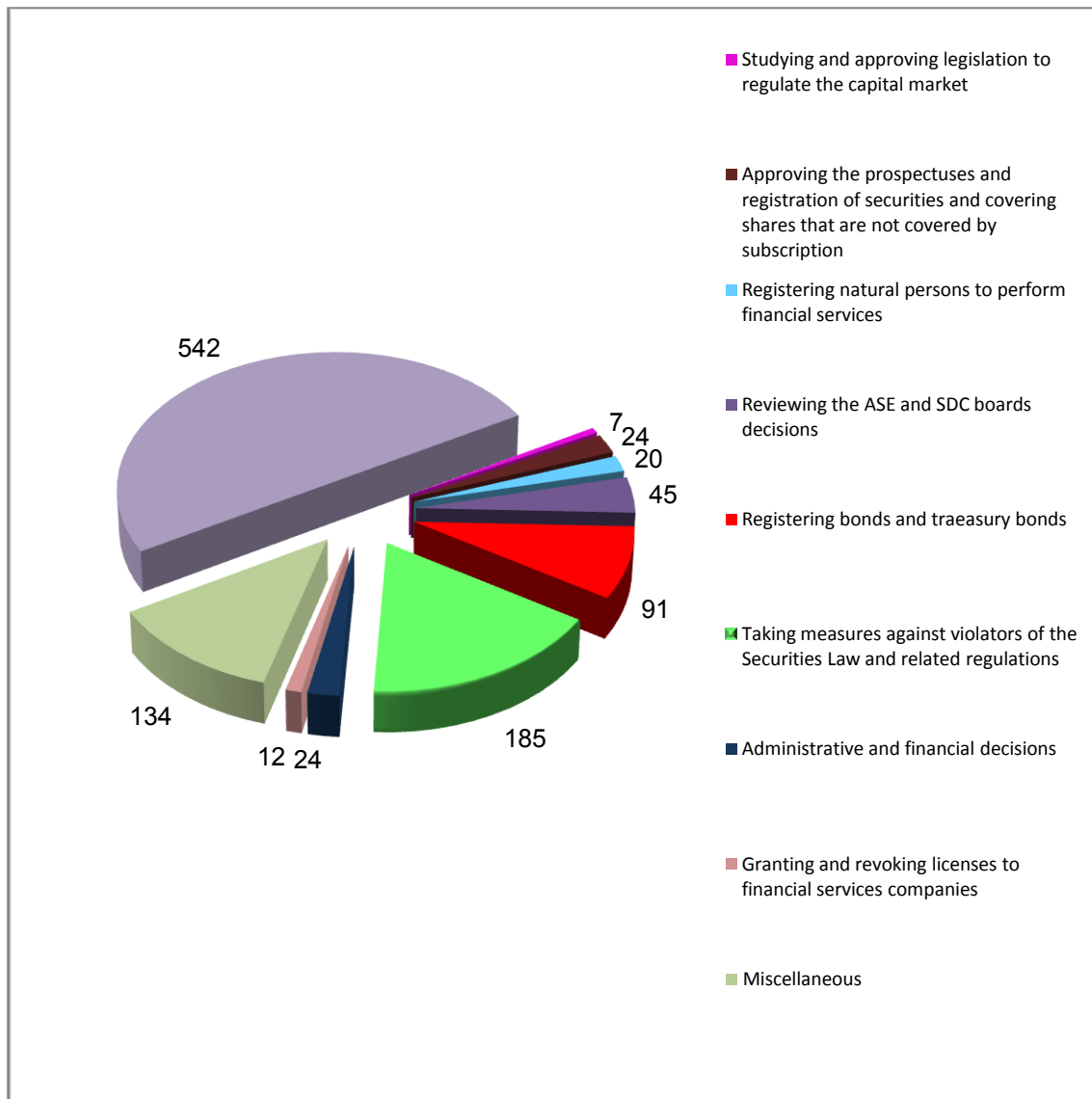
Board Decisions

The Board of Commissioners held 68 meetings during 2012 and took 542 decisions as listed in the table below:

Table (1): Decisions made by the Board of Commissioners during 2012

Subject	No. of Decisions
Studying and approving legislations to regulate capital market	7
Approving the prospectuses and registration of securities (shares and bonds) and covering shares that are not covered by subscription	24
Registering natural persons to perform financial services activities	20
Reviewing the ASE and SDC boards decisions	45
Registering bonds and treasury bills	91
Taking measures against violators of the Securities Law	185
Administrative and general decisions	24
Granting and revoking licensed financial services companies	12
Miscellaneous	134
Total	542

Diagram (1) Distribution of decisions made by the Board of Commissioners during 2012



Personnel

JSC personnel numbered 113 at the end of 2012. Their distribution by level of education and gender is shown in the table below:

Table (2): Distribution of JSC personnel by level of education and gender

Education level	Male	Female	Total
Ph.D	3	1	4
Master	28	10	38
Higher Education Diploma	---	2	2
BA/ Bsc	21	22	43
Community College Diploma	3	4	7
Secondary School	0	10	10
Professional Certificate	4	---	4
Below Secondary School	9	---	9
Total	68	49	113

Public Service Office

The Public Service Office, at the JSC building, provides necessary services to investors and other parties interested in the capital market. It makes available financial reports and special periodical reports related to companies listed on the ASE. A special division at the Office receives complaints from investors, records them in a special register, investigates them, and follows up with a special JSC committee to address the problems and solve them.

The Office also helps investors and visitors by directing them to the section that would process their affairs and receiving their suggestions whether by mail, fax, e-mail, or by phone calls on the hotline. These suggestions are forwarded to the JSC Suggestions Committee, which forwards them to the departments concerned to review them and recommend appropriate actions. The JSC also cooperates with the market institutions to review the services provided and develop them according to the needs of investors and visitors.

Sixty nine complaints were recorded by the Complaints Division at the Office and forwarded to the Complaints Committee in 2011. Below are the complaints recorded during the past years:

Table (3): Complaints received 2008-2011

Year	Total Number	Complaints processed and resolved	Complaints under study
2008	131	74	57
2009	115	86	29
2010	70	53	17
2011	68	47	21
2012	51	30	21

Types of complaints recorded in 2011:

- Failure to observe the client's interest.
- Failure to implement the client's orders either buying or selling.
- Disposition of the client's portfolio without orders.
- Sales by brokers in margin financing accounts.
- Dissemination and promotion of rumors.
- Exploiting any Inside Information

- Being doubtful of the submitted disclosures of operating Public Shareholding Companies

Dealing with Violations

When a violation occurs, the Commission's departments concerned review it and address 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 responses provided and decides whether to accept it or 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 records of all 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 perform new financial services.

Developing electronic systems

With the aim of enhancing performance and developing a safe and advanced technological environment conducive to the improved performance of the Commission and to the progress of national capital market institutions, the JSC started in 2012 to implement the projects pre-set under the government's 2012 action plan, and it successfully completed a number of projects, mainly:

First: The Pilot Electronic Disclosure Project: E-Filing (Pilot Phase)

With the aim of enhancing the protection of investors in securities and promoting transparency, the JSC completed the construction of a pilot electronic disclosure system that includes electronic disclosure forms, which enable public shareholding companies and entities subject to the supervision of the Commission to provide disclosures to JSC electronically. The pilot system was applied experimentally to a number of companies. The first phase of the project, which relates to providing disclosures directly by the companies to the Commission electronically for publication on the Commission website, will be completed by the end of 2013. The project aims to achieve the following:

1. Enhance the speed and accuracy of disclosure by public shareholding companies.
2. Provide electronic forms for receiving information and documents issued by public shareholding companies.
3. Enable investors to access information as soon as it is disclosed on the system.

4. Provide an electronic stamp for information uploaded by the issuing company.
5. Ensure the security and confidentiality of the flow of information until it is disclosed to all investors

Second: The Licensing and Inspection Department systems project

Work has been completed on programming and developing the first phase of the project, which aims to automate office procedures of the Licensing and Inspection Department such as licensing and renewing licenses of financial services companies and registered persons, as well as complaints, violations, and financial guarantees. This will be executed through a system connected to a database of historic information. Work on the second phase of the project will be finalized in 2013. The project will enable financial services companies and registered persons to renew licenses by means of electronic forms that can be accessed at a protected zone on the capital market institutions network.

Third: Centralized Clients' Risk System

The project aims to help financial brokerage firms make decisions concerning the financing of clients through an electronic system that allows financial brokerage firms to inquire and gain access to information regarding the centralized risk of clients by means of an authorization from these clients. This information includes the total accounts receivable granted to the clients by all financial brokerage firms operating in the stock market and the value of the guarantees against these receivables. Draft instructions for the system were prepared and submitted to all stakeholders in Jordan national capital market including

brokers, investors and others, to express their views on the proposed instructions by the end of 2012. This feedback would be taken into consideration before issuing the instructions and the system in their final form in 2013.

Fourth: Future projects

In addition to the above-mentioned projects, the Commission will work during the period 2013-2015 on the following projects after approving their budgets to upgrade the JSC's performance and enhance a developed technical and safe investment environment:

No.	Project	Starting date
1	Electronic filing	2013
2	The Licensing and Inspection Department systems project	2013
3	Centralized customers' risk project	2013
4	Upgrading the JSC's website and e-services	2014
5	Developing surveillance and issuance systems	2015
6	Establishing a disaster recovery site for the JSC's work environment (DR)	2015

Legislations and Procedures Regulating Capital Market:

The JSC worked during 2012 to issue and promulgate a number of legislations and procedures to regulate the national capital market, mainly:

First: Instructions for Listing Securities on the Amman Stock Exchange, 2012

The main points of these Instructions included:

- A.** Amending the current division of the secondary securities market, which consists of two markets, first and second, to a new division that consists of three markets, each of which is governed by special listing requirements.
- B.** Introducing the possibility of transferring the listing of shares from one market to another once during the year, after providing the stock exchange with the financial statements of the company. The company is transferred from one market to another in case that company violates any of the conditions of the market on which it is listed, or in circumstances decided by the Commission.
- C.** Instructions require that the company which applies to have its shares listed on the second market should do so after at least one year from receiving the right to practice its business.
- D.** Instructions stipulate the following conditions for transferring the listing of shares from the third market to the second:
 - 1. One full year, at least, should have passed since the shares were listed on the third market.

2. The net shareholders' equity of the company should be not less than 50% of its paid-up capital.
 3. The proportion of free float shares in the company should be not less than 5% of the paid-up capital for companies whose paid-up capital is less than JD 10 million, with the exception of companies whose capital is equal to or greater than JD 10 million.
- E.** Instructions stipulate the following conditions for transferring the listing of shares from the second market to the first:
1. One full year at least should have passed since the shares were listed on the second market.
 2. The net shareholders' equity in the company should be not less than 100% of its paid-up capital.
 3. The company should have realized a net profit before tax in at least two fiscal years of the last three years preceding the transfer of listing, and that the company's average net profit before tax for the last three years should be not less than 5% of the paid-up capital.
 4. The proportion of free float shares in the company to the number of subscribed shares at the end of the fiscal year should be not less than 10% of the paid-up capital for companies whose paid-up capital is less than JD 50 million, with the exception of companies whose paid-up capital is equal to or greater than JD 50 million.
 5. The number of the company's shareholders at the end of its fiscal year should be not less than 100 shareholders.

6. The Company's paid-up capital should be not less than JD 5 million.

Second: Issuance of an Explanatory Resolution for the Purpose of Applying the Provisions of Instructions on Disclosure by Issuing Companies and Accounting and Auditing Standards 2004

The explanatory resolution included an explanation for the terms "members of the board of directors" and "members of the board" as they appear in the text of articles (4/B/3 17,18,20) and (8/I) of said instructions as being natural persons and legal persons, as well as the natural persons representing legal persons. This resolution was circulated to public shareholding companies.

Third: Preparing a number of draft instructions, mainly:

1. Centralized Risk System Draft Instructions

The draft aims to provide credible information to help financial brokerage firms make decisions concerning the financing of their clients through an electronic system that allows financial brokerage firms to inquire and gain access to information regarding the centralized risk of clients by means of an authorization from these clients. This information includes the total accounts receivable granted to the clients by all financial brokerage firms operating in the stock market and the value of the guarantees against these receivables.

2. Draft Instructions on Trading by Members of the Boards of Directors of Financial Brokerage Firms and Related Parties

The Draft Instructions aim to strengthen investor protection in the capital market by stipulating special conditions for trading by insiders and the executive managements of these firms and related parties. These instructions are considered to be the first step towards implementation by financial brokerage firms of dealing with their clients on the basis of cash and / or margin financing.

3. Draft Amendment of Margin Financing Instructions

These instructions aim to strengthen the framework that regulates the relationship between the broker and his client with regard to margin financing, and to reduce the risk that may result from margin financing operations.

Issuance

Companies in general seek to raise their capitals 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 regulations issued pursuant thereto, 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 principal and 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.

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 officer 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.

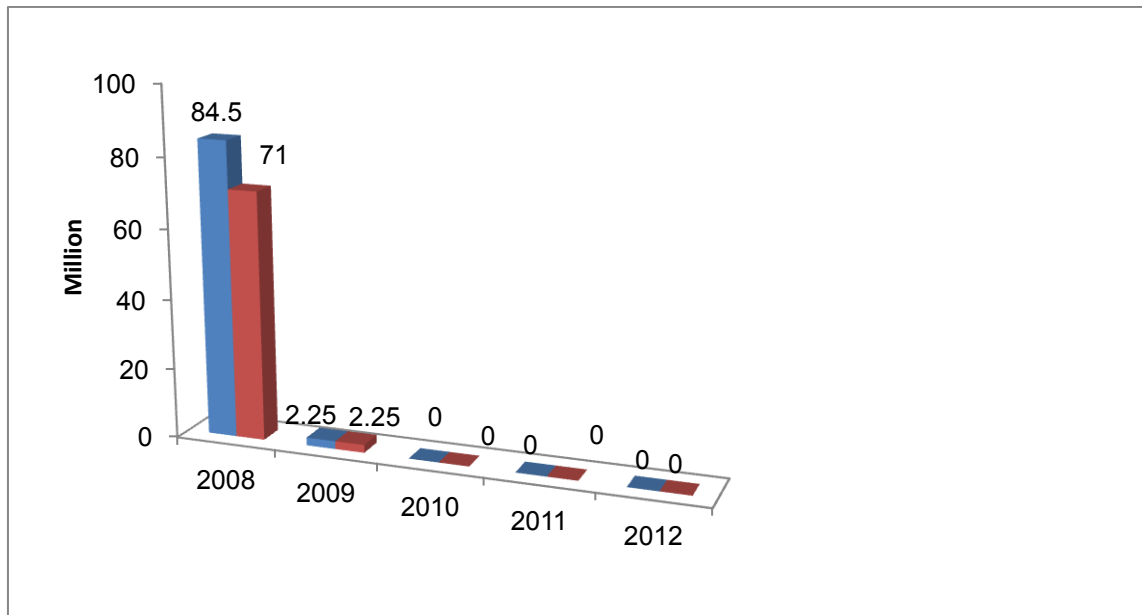
In 2012, the JSC approved the enforcement of 6 prospectuses after studying them to ensure that they fulfill all the requirements of the Securities Law and the Instructions on Issuance and Registration of Securities. It should be noted that the Board of Commissioners may exempt issuing companies from submitting a prospectus in specific cases defined by the Securities Law.

Fifteen public shareholding companies issued new shares to raise their capital through private subscription by existing shareholders or specific investors, or through capitalization of the companies' debts and converting them to shares. Shares offered reached 155.173.586 million shares, of which 123.778.047 million or 98.5% of shares offered, were covered at a value of JD 81.7 million (Table 1, Annex1).

Six public shareholding company covered 35.239.066 shares registered in previous years at a value of JD 35.203.653 (Table 2, Annex1), making the total number of shares covered 159 million shares at a value of JD 149.9 million in 2012.

There were no new public shareholding companies established in 2012. One company changed its legal status from limited liability to public shareholding companies.

Diagram (2): Primary issues by newly established companies 2008-2012



Nineteen companies raised their capital by stock dividends through the capitalization of voluntary reserves and/ or retained earnings and/ or issue premium or part thereof. The number of shares issued amounted to 130.2 million shares/at a value of JD 130.2 million. Stock dividends are distributed to the company's shareholders as of the end of the 15th day after registering the new shares with the JSC, on a pro rata basis (Table 4, Annex1).

Diagram (3): Raised Capital through capitalization of retained earnings issue premium, or reserves, 2008-2012

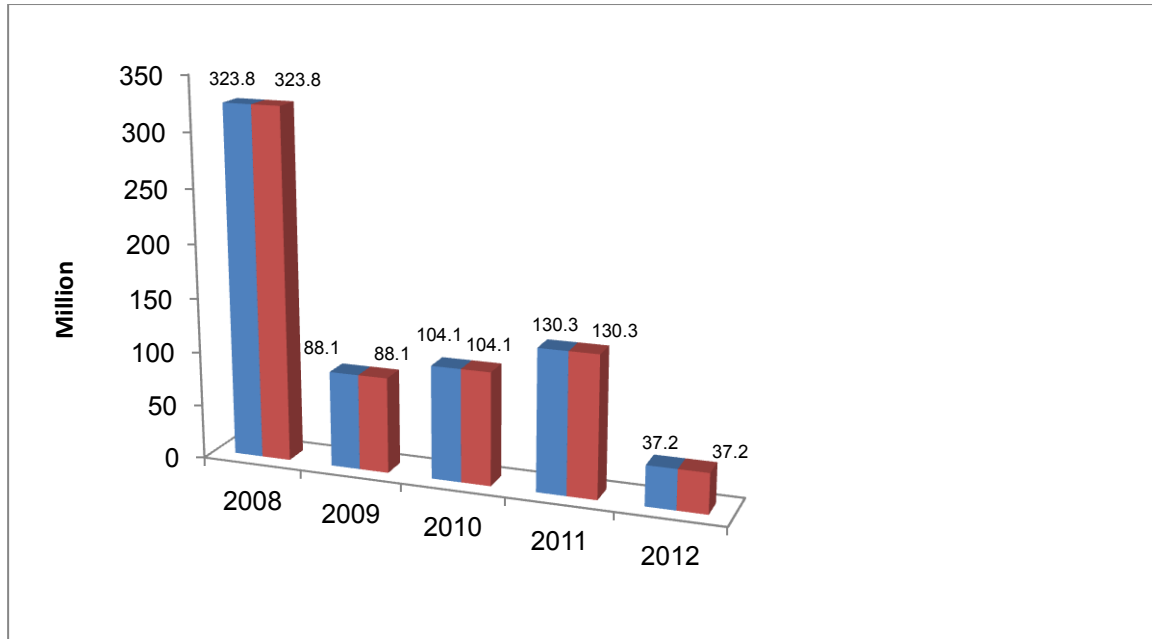
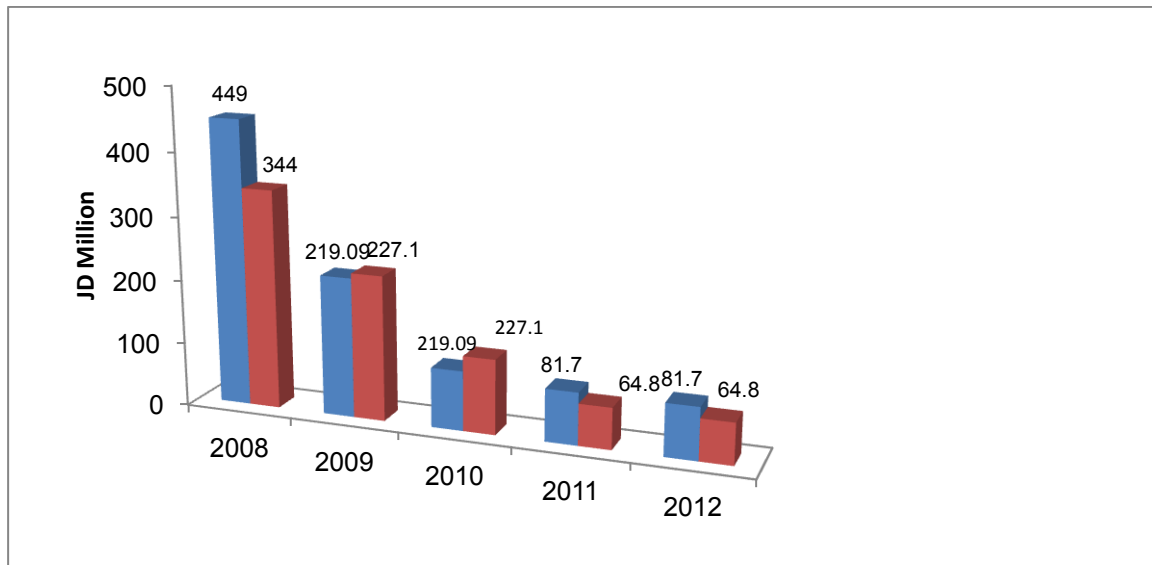


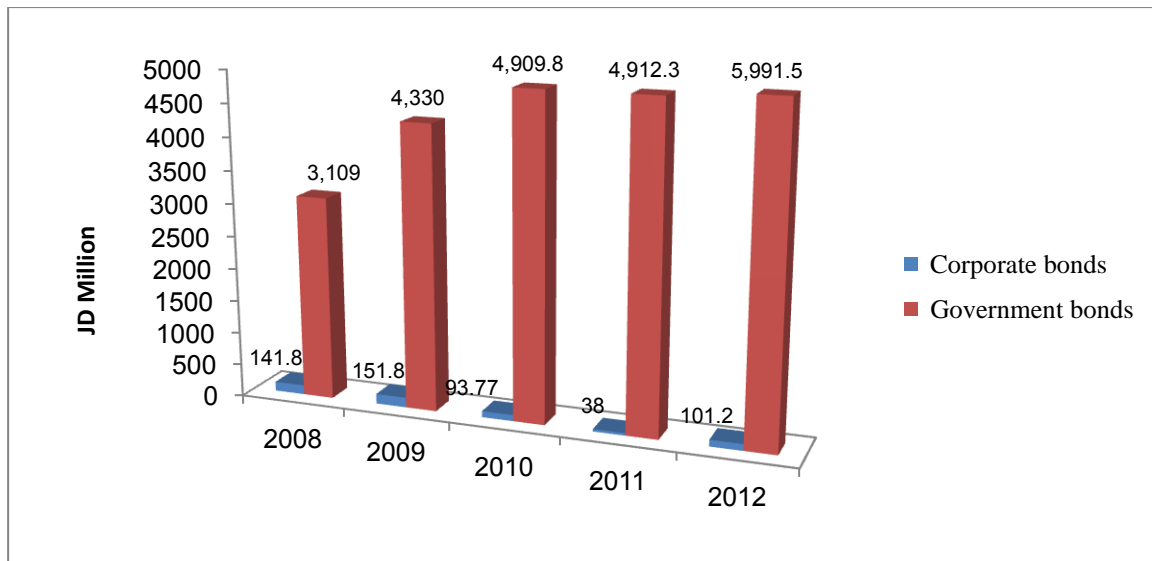
Diagram (4): Total primary issues for existing public shareholding companies that raised their capital through private subscription, and debt capitalization, 2008-2013



Regarding the issuance of bonds by public shareholding companies or public sector institutions, there were no issues in 2011. Bonds registered in previous years were covered at a value of JD 38 million, making the total

value of bonds covered this year JD 38 million, (Annex 1, Table 5). Bonds issued or guaranteed by the Government amounted to JD 4.9 billion, (Annex1, Table 6).

Diagram (5): Bonds issued or guaranteed by the Government, 2008-2013



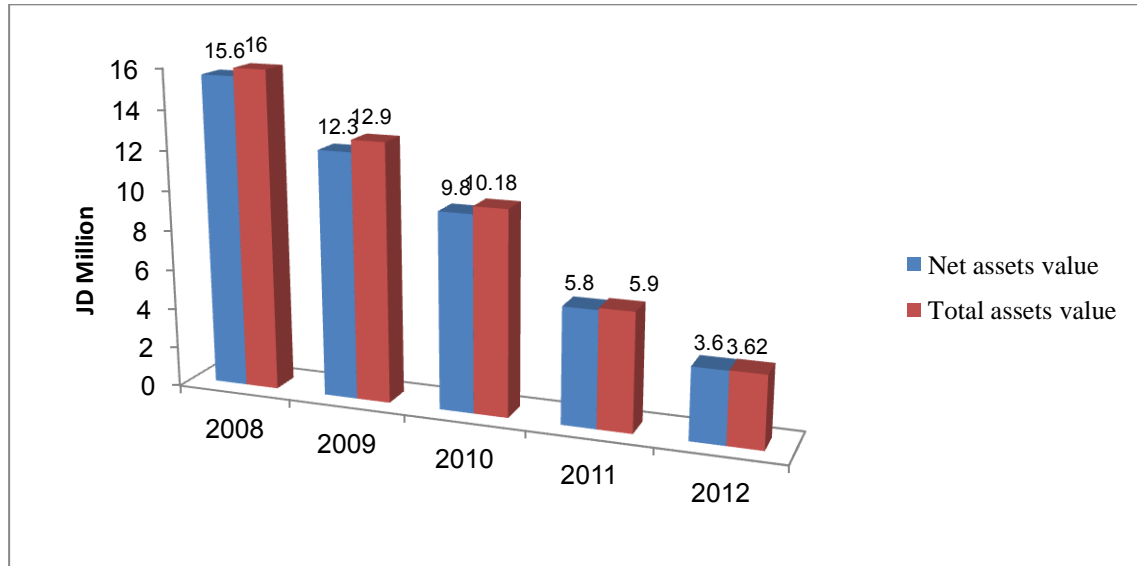
Mutual Funds

Mutual Funds Instructions defined the requirements and procedures for the establishment of mutual funds, their activities, and obligations. Currently, three open-end Jordanian mutual funds are registered with the JSC: Jordinvest First Trust Fund, the Fund of the Housing Bank for Trade and Finance/ Jordanian Securities Fund, and Horizon Fund –Capital Bank.

Since these mutual funds are open-end funds, they are registered with the JSC, but they are not listed on 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 required 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 to review and update the present Mutual Funds Instructions to bring them in line with the latest international standards and to further encourage the establishment of this type of financial investment, in addition to emphasize the contractual nature of these funds and introduce the legal basis for the establishment of new types of mutual funds such as Exchange Traded Funds (ETFs)

Diagram (6): Net and total assets value of Mutual Funds registered with the JSC 2008-2012



Disclosure

Accurate, preliminary and periodic disclosure, and providing information to investors and the public are fundamental pillars in financial markets, since this information helps achieve fair, transparent, and efficient market. Disclosure Department at the JSC monitors the compliance of securities issuing companies with the Securities Law and Disclosure Instructions issued by the JSC, encourages these companies to comply, and takes appropriate measures against violators. There are a number of stages to the disclosure process that issuers need to follow, which are the preliminary disclosure through the prospectus, ongoing disclosure through financial statements, disclosure of material information that affect the prices of securities, and disclosure of dealings by insiders and major investors.

Disclosure Department monitors the compliance of public shareholding companies with the requirements to disclose their preliminary results, their semi-annual reports, and their annual reports. The Department studies the incoming reports from these companies to ensure that they meet the requirements of the JSC's Disclosure Instructions and that they are submitted within the deadlines defined by the Law and related regulations. The Department also monitors the compliance of companies with the disclosure of material information related to any important events that are of interest to investors and that affect the price of the companies' securities.

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 fiscal year, their annual reports not later than 90 days after the end of their fiscal year, and their semi-annual reports within a

period not exceeding 30 days from the end of the first half of their fiscal year.

It is worth noting that 90.2% of public shareholding companies submitted their preliminary results within the specified period in 2012 compared to 94.3% in 2011. Compliance with the requirement to provide the JSC with their semi- annual reports within the specified period reached 87.6% compared to 86.6% in 2011, while compliance with the requirement to submit annual reports to the JSC on time reached 63.9% compared to 85.4% in 2011.

Table (5): Compliance of public shareholding companies with the requirement to disclose their periodic reports on time, 2009-2012

Periodic reports	2009	2010	2011	2012
Preliminary results	95.2%	93%	94.3%	90.2%*
Annual report	90.9%	89%	85.4%	63.9%*
Semi-annual report	91.3%	90%	86.6%	87.6%

*stands for repors of 2011 but received in 2012

Diagram (7): Compliance of public shareholding companies with the requirement to disclose their periodic reports on time, 2009-2012

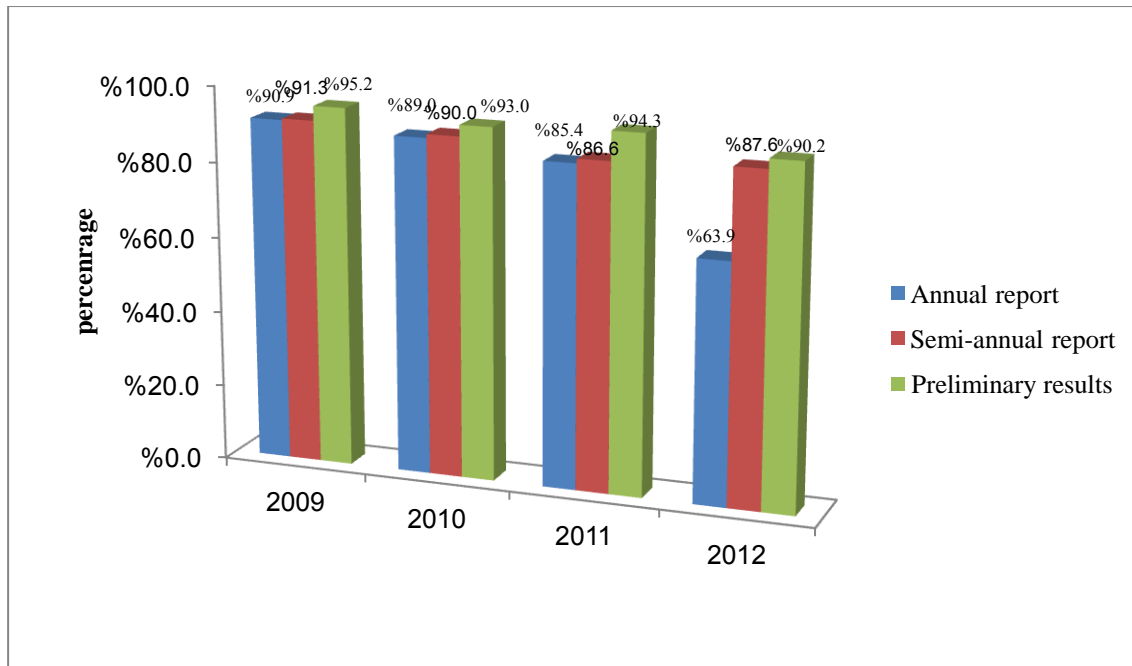
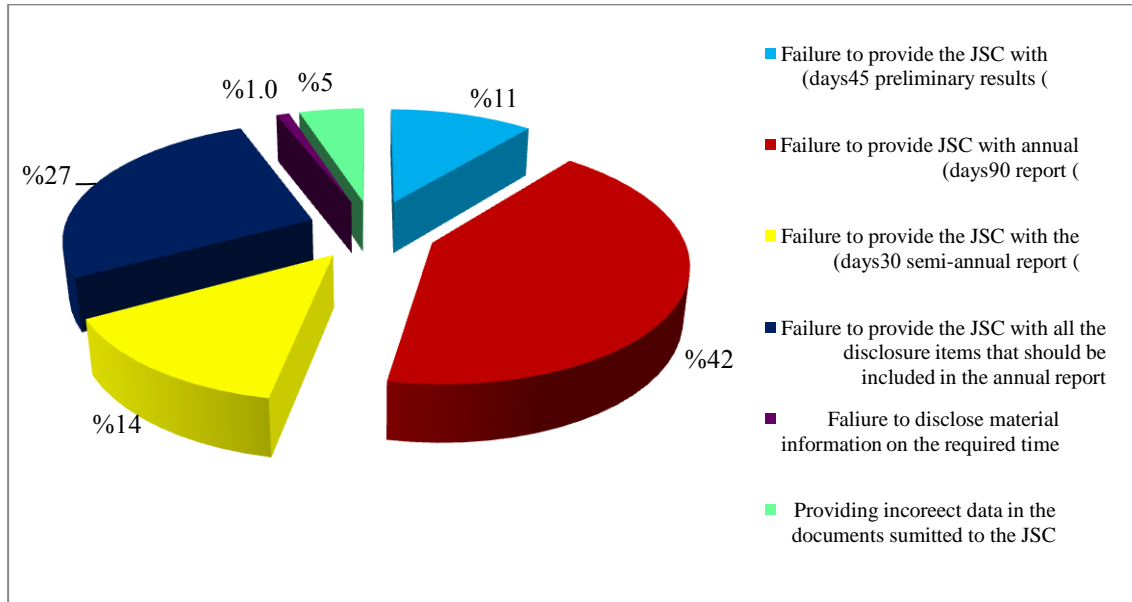


Diagram (8): Distribution of violations of the Disclosure, and Accounting and Auditing Standards Instructions that the JSC processed in 2012



Arab and International Cooperation

The JSC continued its efforts to deepen and expand cooperation with regulatory authorities and Arab and international organizations in areas that serve its objectives, enable it to keep abreast with developments related to its work, and promote the national capital market. The Commission took part in a number of activities, the most important of which included:

- The Thirty Seventh Annual Conference of the International Organization of Securities Commissions (IOSCO), which was held in Beijing, China, in May 2012.
- The Annual Meeting of the Union of Arab Securities Authorities held in Doha, Qatar, in early February 2012.
- The meeting of the permanent committees of the Union of Arab Securities Authorities held at the JSC head office in Amman during the period 15-17/1/2012.
- The Annual Training Program of the International Institute for Securities Markets Development organized by the U.S. Securities and Exchange Commission in Washington DC during the period 16-27/4/2012.
- The Twenty Fourth Conference of the extensible Business Reporting Language (XBRL) held in Abu Dhabi during the period 22-27/3/2012.
- The Expanded IOSCO Principles and Crisis Management Training Course held in Canada during the period 8-13/7/2012.

In addition, and with the aim of enhancing cooperation and coordination with Arab and international authorities, and to acquaint them with Jordan's experience in the area of national capital market regulation and the activities of its institutions, the JSC received a number of Arab and international personalities and delegations that included:

- The joint delegation from the European Bank, the World Bank, and the Arab Monetary Fund to examine the priorities and needs of the Jordanian capital market with the objective of focusing on the means to improve the performance of the capital market to provide long-term financing.
- An Iraqi delegation from the Ministry of Industry and Minerals in the Kurdistan Region.
- A delegation from the Secretariat-General of the Union of Arab Securities Authorities, headed by the Secretary-General of the Union.

Communication and Cooperation with National Institutions

Keen to promote cooperation and coordination of efforts with partners and related parties in the national capital market, the JSC organized a number of meetings with these parties, notably:

- A meeting between the Chairman of the Board of Commissioners with a number of economic journalists working for daily newspapers, which focused on cooperation with capital market institutions and the role of the media in spreading awareness and information and promoting knowledge of the market.

- A meeting with members of the Board of Directors of the ASE, which discussed on future plans related to the securities market and means of strengthening cooperation between the JSC and the ASE to achieve coherence and to promote joint action for the benefit of the market and dealers in it.
- A meeting with the president and members of the Association of Financial Services Companies in the presence of a number of owners of these companies, in an initiative aimed at strengthening cooperation between all stakeholders in the securities market, facilitate their mission, review all aspects of market conditions, and overcome any difficulties or challenges they face.
- A meeting with the Ministry of Industry and Trade and the Companies Control Department, in the presence of members of the Board of Commissioners of the JSC in order to strengthen coordination between the Commission and the Companies Control Department, to reach a consistent legislative matrix that regulates corporate governance, to ensure the implementation of these rules in accordance with international best practice, and to enhance investor protection.
- A meeting with the Central Bank and the Anti-Money Laundering and Counter Terrorist Financing Unit in order to strengthen cooperation in the areas of banking risks of financial services companies, develop a strategy for the management of public debt, risks in the financial sector, and the development of the bonds market with the participation of parties concerned.

Training and public awareness

The JSC attaches great importance to train its staff in order to upgrade their academic and professional qualifications and acquaint them with the most important developments on the regional and international levels. Sixty one employees were sent on training courses and specialized conferences within the Kingdom and abroad. These were as follows:

Table (7): Personnel Training Courses held in Jordan and abroad in 2012

Training Course	No. of employees	No. of participations
Internal	51	109
External	10	10
T O T A L	61	119

In addition, the JSC organized a number of training courses that included:

- A training course for Reporting Officers of financial brokerage firms operating in the Kingdom in cooperation with the Anti-Money Laundering and the Counter Terrorist Financing Unit on the combating money laundering and financing terrorism. The course covered a number of topics, mainly the Anti-Money Laundering and Counter Terrorist Financing Law in force, the amended International Standards on Combating Money Laundering, and the Anti-Money Laundering and Counter Terrorist Financing Instructions in Securities Activities for the year 2010 issued by the Commission.
- A training course for lawyers trainees in cooperation with the Jordanian Bar Association in the area of securities and securities arbitration.

The JSC also organized a number of educational and public awareness meetings and lectures for delegations from national civil and military organizations and students of universities and community colleges that included:

- A delegation of the Royal Jordanian National Defense College.
- Student delegations from the University of Jordan, Al-Zaytoonah University, Mutah University, Philadelphia University, Yarmouk University, Az-Zarqa Private College, The Intermediate University College, and Al Asriyya Schools.

Licensing and Registration

Regulating financial services activities is one of the most important tasks of the JSC, to ensure sound trading in the national capital market and protect the market and investors in securities. Licenses granted by the JSC include financial brokerage, investment trusteeship, investment management, financial advisory, custodianship, issuance management through best efforts and firm commitment, issuance trusteeship, and margin financing.

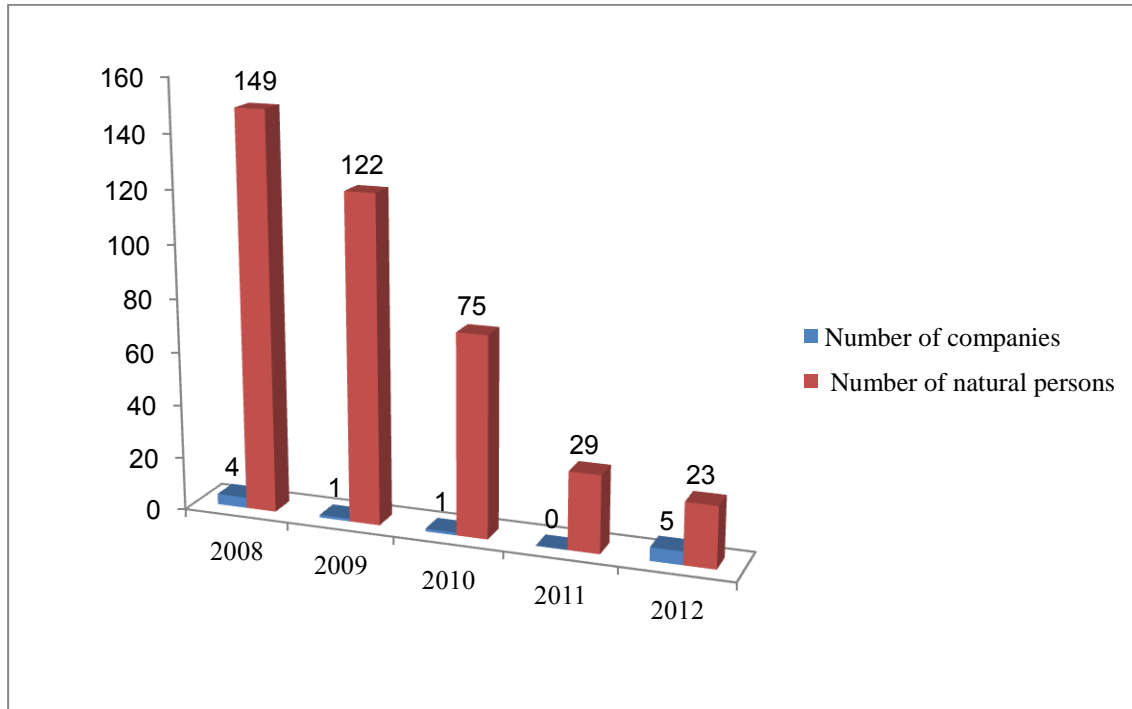
The Instructions issued by the JSC defined conditions and requirements that should be met by companies to receive licenses from the Commission to perform any of the financial services activities. The main developments related to licensing and registration during 2012 were as follows:

A. Five licenses were granted to five companies to perform financial services as follows:

Table (8):

No.	Company	License Granted	Date
1	Invest Bank	Custodianship	24/4/2012
2	Global Investment House-Jordan	Broker Dealer	5/6/2012
3	Emerging Markets for Financial Services & Investments	Broker Dealer	24/7/2012
4	Emerging Markets for Financial Services & Investments	Margin Financing	18/9/2012
5	Experts Financial Services	Margin Financing	25/9/2012

Diagram (9): Number of licenses and registrations granted to companies and natural persons to perform financial services, 2008-2012

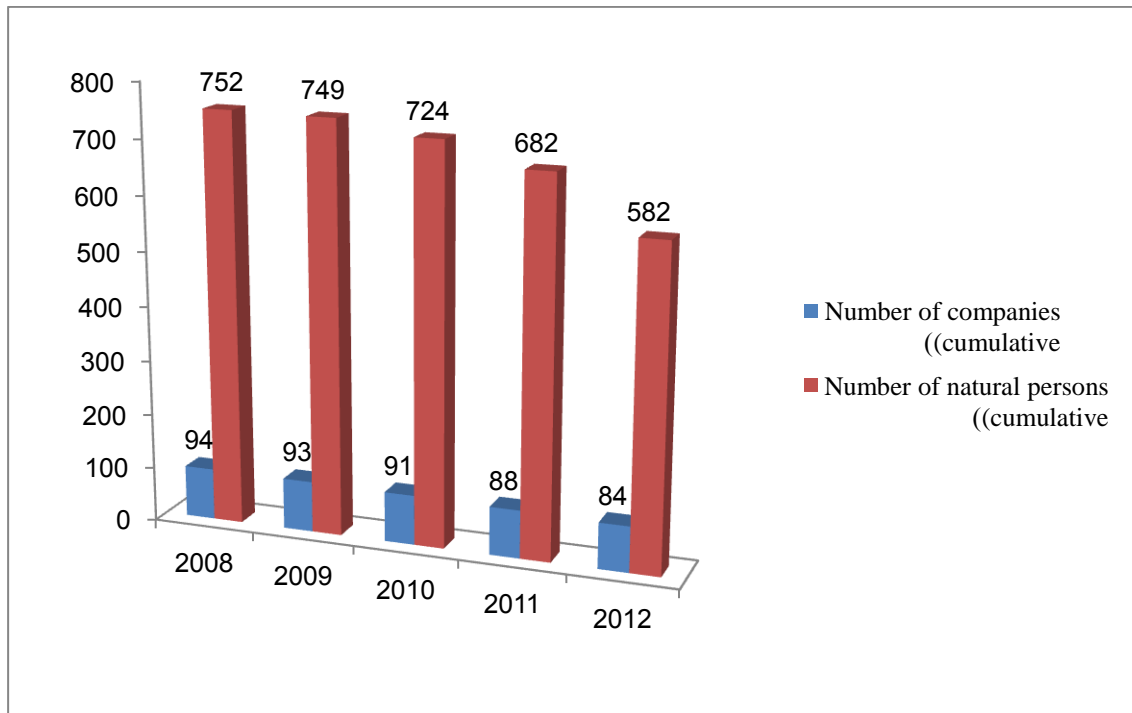


B. The JSC granted 23 registrations to 20 natural persons to perform financial services activities as follows:

Table (12):

Type of Registration	No.
Registered financial broker	15
Registered financial advisor	1
Registered investment trustee	1
Registered investment manager	1
Custodians	2
Registered issuance trusteeship	1
Registered compliance officer	2
Total	23

Diagram (10): Number of financial services companies and natural persons licensed and registered to perform financial services (cumulative), 2008-2012



Surveillance

The JSC works through the Surveillance Department on providing a suitable environment to ensure fair and sound trading and provide an appropriate safe investment. Surveillance Department applied the following systems and procedures:

* The application of the ARAMIS real-time surveillance system which was launched in 2009. It is characterized by the following features:

- a. Its ability to provide all information related to trading in real time or chronological order, such as names of traders in the market, and related details, ratios of their selling and buying of a specific security or any security in the market in general. This helps identify persons who influence trading in the market and detect their trading.
- b. The system also issues Alerts for any trading that violates the sound standards set out by the Surveillance Department. This would enable the Department staff to detect and prevent movements that can negatively affect sound trading activity.
- c. The ability to repeat the events of any previous trading session so that the Follow-up Division of the Department could view the trading session another time.

* The Department also uses the new version of GL e-trading System that was launched by the ASE, with the advantage of longer trading periods than the previous version. A pre-close trading period was added, which was developed to prevent any influence on closing prices. The System was directly linked to the SDC database. A mechanism was adopted to extract reports from historic records in the database using the Business Object

software that allows the design of the report in accordance with the required information.

* The Surveillance Department is also linked through several systems and software to enable it to complete its work properly, such as the SDC System that provides the names of persons who trade in securities and the number of securities owned by traders in the market. This System is linked directly to the Civil Status Department database which allows the Surveillance Department to recognize relatives of persons trading in the market. In addition, the MIS System displays the net positions of brokers during a certain period, and reports of the largest transactions, as well as other reports to help complete the process of surveillance. The Commission also developed several internal programs to track trading of investors who work in groups.

* At the beginning of this year, a special system has been set up by the Information Technology Department in the JSC to allow the Surveillance Department to monitor later trading on shares of companies listed on the Amman Stock Exchange; in addition to follow-up the buying and selling done by members of boards of directors in public shareholding companies, general managers, financial managers and insider traders of these companies and their relatives so as to daily download the trading data on this system from the Securities Depository Center to mark the insiders who violates the decisions of the Board of Commissioners to suspend their trades. This system also contains the names and the data in the Civil Status Department to know the insiders' relatives and classify them into groups to be entered by department staff and extract reports of these groups' trading and the violations committed, if any.

- * The Department performs the following tasks to achieve its goals:
 - a. Ensuring that trading is undertaken in accordance with laws and regulations and instructions in force.
 - b. In case of any violating action, the Department contacts the broker and warns him to desist from such action.
 - c. In case of any material violations, an extensive analysis, after the session, is carried out of activities that are suspected to have irregularities, and the transactions of the parties concerned are studied during this session and in the previous period, in order to determine whether there is a violation or not.
 - d. If a violation is confirmed, procedures are followed to notify the violating party and complete legal proceedings related to that violation.

- * The Department also monitors all trading operations and attaches particular importance to related parties trading which may intend to influence trading and affect securities prices and the proper conduct of trading.

- * The Department examines price fluctuations during trading session in comparison with fluctuations in previous sessions. In case of a noticeable increase or decrease in the price of a security, disclosures received from the issuing company are studied. In the absence of disclosures that justify this price variation, the Commission addresses the issuing company requesting any information or material events that may be behind this change. The company's response is then made public to ensure fairness among traders and to provide as much information and data as possible to enable investors to make their investment decisions based on accurate information.

* The Department also monitors news, articles and studies published in the media. The transactions of parties that publish these are analyzed to ensure that there are no ulterior motives, and that the media are not being used for promotion or to realize private gains at the expense of the public. In addition, the Department monitors disclosures and news of listed companies and analyzes trading activities in the periods preceding and following these disclosures particularly trading by insiders to ensure they do not exploit inside information which they access by virtue of their position or job to achieve personal gains.

* The Department also prepares daily trading reports on volumes of trading, price variations, most actively traded companies and the largest price fluctuations, and these figures are compared with those of the previous days. Reports also include details of large transactions.

Supervision on the capital market institutions

According to the Securities Law, the ASE and SDC are subject to the supervision of the JSC. It monitors the work of these institutions through the Capital Market Institutions Monitoring Department.

A. The Amman Stock Exchange (ASE)

The Capital Market Institutions Monitoring Department ensures that the ASE monitors trading, supervises its members, and ensures that members of the ASE Board of Directors and executive administration exercise their authority in accordance with the Law and related regulations. This is done through reviewing and studying ASE reports, circulars, and correspondence to its members. The Board of Commissioners also studies the decisions of the ASE Board of Directors on regular basis.

Performance of the ASE in 2012

The ASE remains to be affected by the national economy circumstances, the repercussions of the surrounding political unrest, and the international and regional financial crisis, in addition to the shrinkage of liquidity directed to investment in securities. This produced a drop in demand for investment in securities in favor of cash and low-risk liquid investments. Since the ASE is like a mirror that reflects the real national economy performance which is out of the JSC control, the ASE performance indicators retreated. Trading volume at the ASE in 2012 reached JD 2 billion compared to JD 2.9 billion in 2011, a drop of 32%. Number of shares traded in 2012 reached 2.34 billion shares, executed through 970 thousand contracts compared to 4.1 billion shares in 2011 done through 1.3 million contracts, a decrease of 43%.

Shares traded turnover, which reflects the number of shares traded to the total number of shares listed, dropped 34 % in 2012 compared to 58.2% in 2011.

Diagram (12): Weighted Price Index by Market Capitalization, 2008-2012

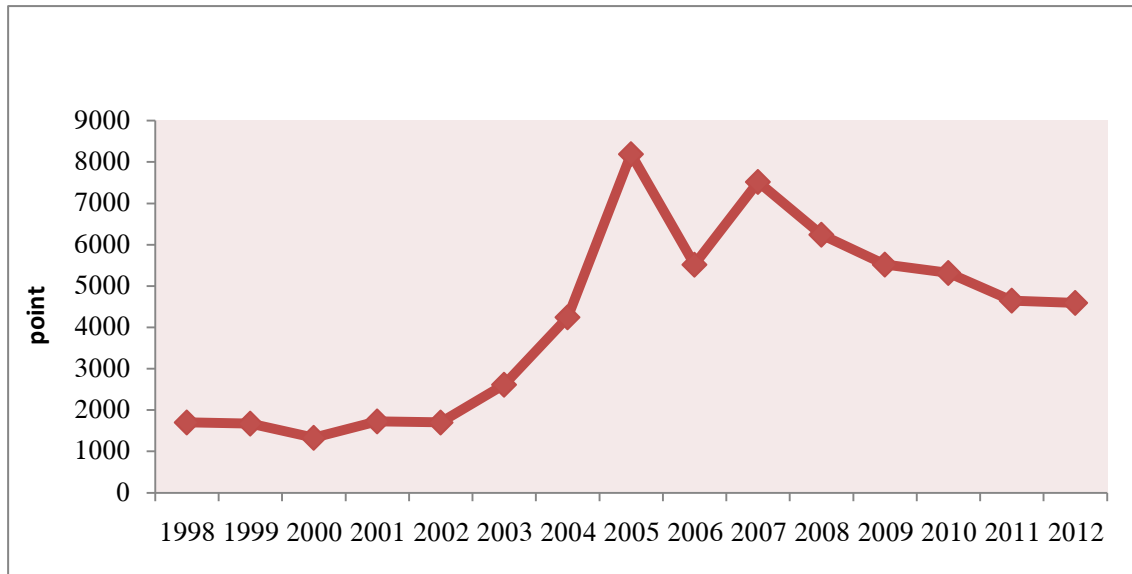
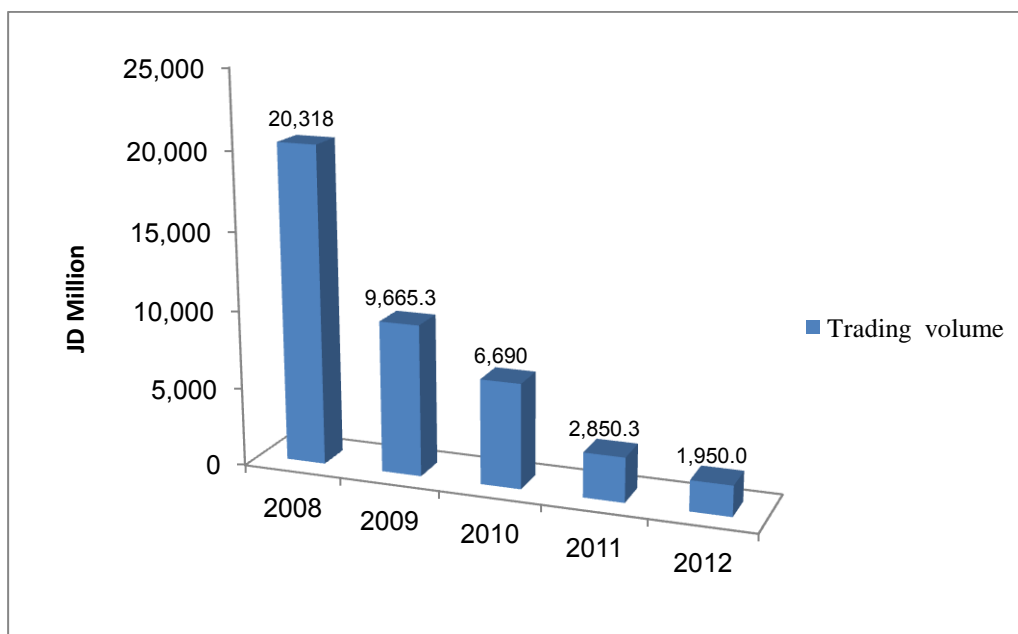


Diagram (13): Trading Volume, 2008-2012



Market capitalization of listed shares at ASE reached JD 19.1 billion in 2012 compared to JD 19.3 billion in 2011, a drop of 0.8%. Market capitalization of shares listed amounted to 93.5 % of the GDP. Number of listed companies reached 243 in 2012 compared to 247 in 2011..

Diagram (14): Market Capitalization of the ASE, 2008-2012

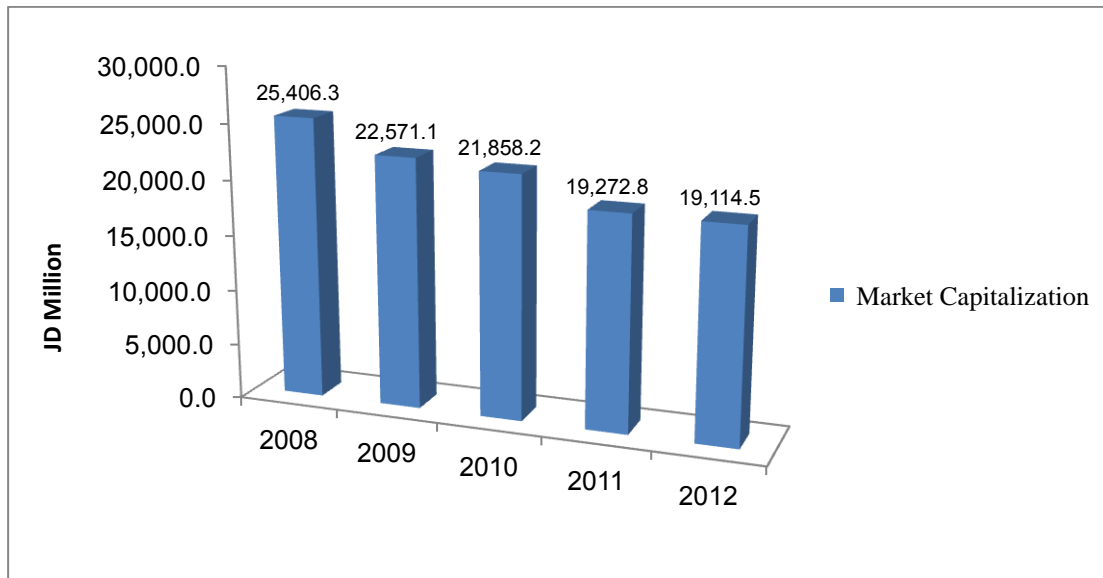
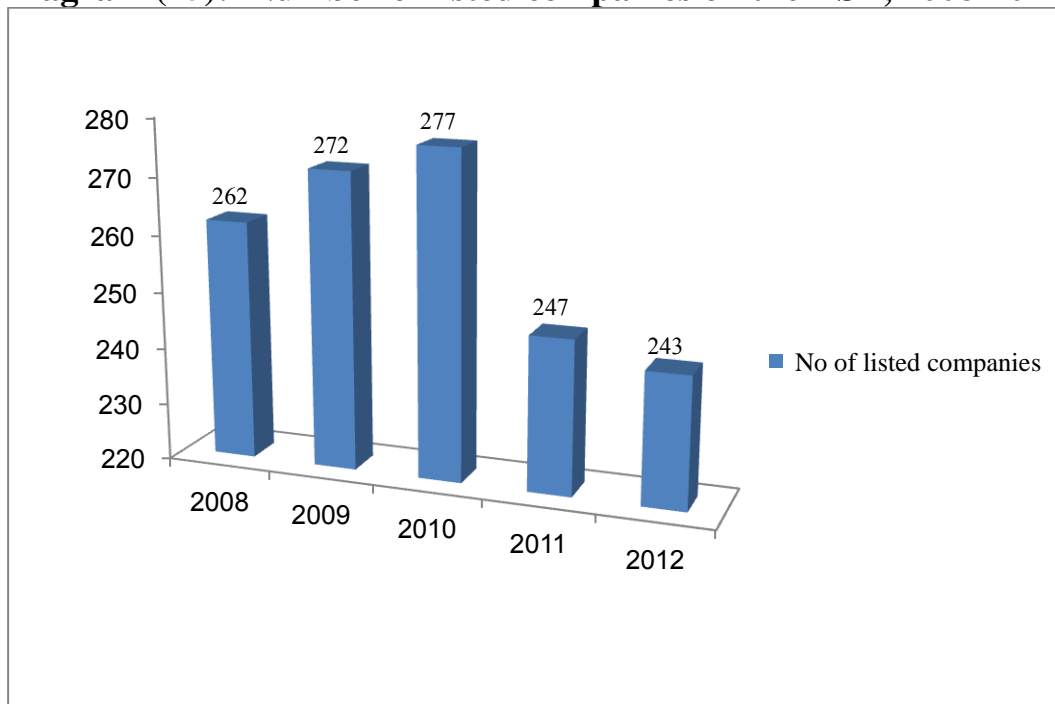


Diagram (15): Number of listed companies on the ASE, 2008-2012



Ownership by non-Jordanians at the ASE increased to 51.7%, compared with 51.3% at the end of 2011. Net investments of non-Jordanians at the ASE reached JD 37.6 million in 2012 compared with JD 78.6 million in 2011.

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 and to verify that SDC Board members and executive management are executing their duties and authority in accordance with rules and legislations in force. The JSC Board of Commissioners also reviews decisions of the SDC Board on a regular basis.

The SDC prepares a daily update of shareholders' records of public shareholding companies, according to transactions that take place at the ASE, and transfers of securities that take place through the SDC. The Centre also carries out financial settlements among brokers by bank transfers to and from their bank accounts and through the Centre's settlement account in the settlement bank which is the Central Bank of Jordan.

The SDC also carries out the registration of securities issued by public shareholding companies. The total shares issued by public shareholding companies registered with the Centre at the end of this year reached to 7.4 billion shares with a market value of nearly JD 19.7 billion.

At the end of 2012, the number of shareholders depositing in the SDC reached 626,165 shareholders out of a total number of 778,015 shareholders of public shareholding companies, which means that 80.48%

of the total number of shareholders own 7.4 billion shares out of 7.45 billion issued shares; this equals 99.3% of the number of shares issued with a total JD 19.28 billion.

Among the main other tasks of the SDC is to conduct inheritance and family transfers and non-traded securities on the Stock Exchange.

The SDC provides direct services to investors by issuing balance sheets and statements of their securities accounts, so the investors beware of all movements that occurred on these securities. The Centre also provides the freezing service through which the investor is able to freeze his shares in the central registry of the Centre, so as to prevent any member of the centre from carrying out any disposal of these securities.

In addition, the SDC publishes on its website the ownerships of members of the boards of public shareholding companies who own 1% or more of the companies' shares, as well as the daily trading of these members.



Financial Statements

JORDAN SECURITIES COMMISSION
LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE
Amman-The Hashemite Kingdom of Jordan

**Financial Statements and
Independent Auditor's Report
For the year ended December 31, 2012**



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105181031**Independent Auditor's Report****To Messrs. Jordan Securities Commission
Legal Entity with financial and administrative independence
Amman-The Hashemite Kingdom of Jordan**

We have audited the accompanying financial statements of **Jordan Securities Commission (Legal entity with financial and administrative independence)**, which comprise the statement of financial position as at December 31, 2012, and the statement of revenues and expenses, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 in 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 **Jordan Securities Commission (Legal entity with financial and administrative independence)** as of December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Other Matters

The opening balances were audited by another certified accountant who expressed an unqualified opinion on those statements on April 2nd, 2012.

**Talal Abu-Ghazaleh & Co.
International**

**Steve Karadsheh
(License # 756)**

Amman - March 27th, 2013



JORDAN SECURITIES COMMISSION

LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE

Amman-The Hashemite Kingdom of Jordan

Statement of financial position as at December 31, 2012

	Notes	2012	2011
ASSETS		JD	JD
Current Assets			
Cash and cash equivalents	3	7,550,859	10,791,460
Accounts receivable and other debit balances	4	116,467	202,023
Employees' housing loans receivable - current portion	5	28,370	28,370
Jordan National Financial Center project's land	6	2,359,461	2,359,461
Total Current Assets		10,055,157	13,381,314
Non-Current Assets			
Employees' housing loans receivable	5	310,085	367,042
Property and equipment	7	2,104,566	2,353,464
Total Non-Current Assets		2,414,651	2,720,506
TOTAL ASSETS		12,469,808	16,101,820
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other credit balances	8	404,462	1,121,313
End of service indemnity provision	9	201,492	3,392,092
Amman Security Exchange advance	10	1,654,100	1,654,100
Total Current Liabilities		2,260,054	6,167,505
Equity			
Property and equipment (capital) reserve		6,000,000	6,000,000
Amman Security Exchange and Securities Deposit Center's share ownership in the outstanding building reserve		4,000,000	4,000,000
Retained surplus (accumulated loss)		209,754	(65,685)
Total Equity		10,209,754	9,934,315
TOTAL LIABILITIES AND EQUITY		12,469,808	16,101,820



JORDAN SECURITIES COMMISSION

LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE

Amman-The Hashemite Kingdom of Jordan

Statement of revenues and expenses for the year ended December 31, 2012

	Notes	2012	2011
REVENUES		JD	JD
Trading commissions		1,979,736	2,851,226
Securities listing fees		451,731	461,759
Securities registration fees		346,016	643,138
Companies licensing fees		217,850	217,950
Bank interest		362,462	556,501
Financial penalties		159,375	302,777
Other revenues, net	11	13,771	189,808
Total revenues		3,530,941	5,223,159
EXPENSES			
Administrative expenses	12	3,255,502	4,538,844
JSC contribution in housing loans of employees		-	500,000
JSC contribution in his Majesty King Abdullah II Chair for Securities Studies		-	250,000
Total expenses		3,255,502	5,288,844
Surplus (Deficit)		275,439	(65,685)



JORDAN SECURITIES COMMISSION

LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE

Amman-The Hashemite Kingdom of Jordan

Statement of changes in equity for the year ended December 31, 2012

	Property and equipment (capital) reserve JD	Amman Security Exchange and Securities Deposit Center's share ownership in the outstanding building reserve JD	General reserve JD	Retained surplus (accumulated loss) JD	Total JD
Balance as at January 1, 2011	6,000,000	4,000,000	6,113,525	376,016	16,489,541
Transferred to Ministry of Finance	-	-	(6,113,525)	(376,016)	(6,489,541)
Deficit	-	-	-	(65,685)	(65,685)
Balance as at December 31, 2011	6,000,000	4,000,000	-	(65,685)	9,934,315
Surplus	-	-	-	275,439	275,439
Balance as at December 31, 2012	6,000,000	4,000,000	-	209,754	10,209,754



JORDAN SECURITIES COMMISSION

LEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE

Amman-The Hashemite Kingdom of Jordan

Statement of cash flows for the year ended December 31, 2012

	2012	2011
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus (Deficit)	275,439	(65,685)
Adjustments for:		
Depreciation	256,485	492,656
Doubtful debts expense	8,983	12,689
End of service indemnity expense	210,000	564,313
Loss on disposal of property and equipment	-	1,449
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	78,049	48,610
Accounts payable and other credit balances	(716,851)	(524,779)
End of service indemnity provision	(3,400,600)	(1,432,873)
Net cash from operating activities	(3,288,495)	(903,620)
CASH FLOWS FROM INVESTING ACTIVITIES		
Employees' housing loans receivable	55,481	58,297
Purchase of property and equipment	(7,587)	(150,905)
Net cash from investing activities	47,894	(92,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transferred to Ministry of Finance	-	(6,489,541)
Net cash from financing activities	-	(6,489,541)
Net change in cash and cash equivalents	(3,240,601)	(7,485,769)
Cash and cash equivalents - beginning of year	10,791,460	18,277,229
Cash and cash equivalents - end of year	7,550,859	10,791,460

JORDAN SECURITIES COMMISSIONLEGAL ENTITY WITH FINANCIAL AND ADMINISTRATIVE INDEPENDENCE**Amman-The Hashemite Kingdom of Jordan****Notes to the financial statements**

1. Legal status and activities

- The Commission (JSC) was established on May 15th, 1997 as a legal entity with financial and administrative independence according to the Securities Temporary Law number (23) for the year 1997, which was replaced with the Securities Temporary Law number (76) for the year 2002.
- JSC's main objectives are:
 - Protecting investors of securities.
 - Organizing and developing the capital market of in a way that justifies justice, efficiency, and transparency.
 - Protecting the capital market from risks that could be exposed to.
- Financial statements were approved by the JSC's board of commissioners in its meeting held on March 26th, 2013.

2. Basis for preparation of financial statements and significant accounting policies**– Financial statements preparation framework**

The financial statements have been prepared in accordance with International Financial Reporting Standards

– Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items measured at bases other than historical cost.

– Functional and presentation currency

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

– Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and carrying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for doubtful and bad debts, useful lives of depreciable assets, provisions, and any legal cases against the entity.

– Financial instruments

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Financial instrument is any contract that results a financial asset of one entity and financial liability or equity instrument of another entity.

– **Financial assets**

- A financial asset is any asset that is:
 - (a) Cash; or
 - (b) An equity instrument of another entity; or
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
 - (d) A contract that will or may be settled in the entity's own equity instruments.

- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset
- All recognized financial assets are subsequently measured either at amortized cost or fair value, on the basis of both:
 - (a) The entity's business model for managing the financial assets.
 - (b) The contractual cash flow characteristics of the financial assets.
- A financial asset is measured at amortized cost if both of the following conditions are met:
 - (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 - (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are subsequently measured at fair value.
- A gain or loss on a financial asset that is measured of fair value and is not part of a hedging relationship is recognized in profit or loss unless the financial asset is an investment in an equity instrument and the entity has elected to present gains and losses on that investment in other comprehensive income.

Cash and cash equivalents

- Cash comprises cash on hand, current accounts and demand deposits with banks.
- Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices (claims) amount net of allowance for doubtful receivables which represents the collective impairment of receivables

Loans receivable

- Loans receivable are non derivative financial assets with fixed or determinable payment that are not quoted in an active market.
- Loans receivable are stated at granted amounts less any allowance for doubtful loans which represents the collective impairment of loans. An allowance is calculated for doubtful loans.
- A simple credit interest is calculated on the housing loans granted to the employees

with a yearly rate of 5%, and simple debit interest is also calculated on the settled housing loans granted principles' installments with a yearly rate of 5%. The difference between the credit and debit interest is part of the granted loan.

Impairment of financial assets

- Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each year.
- The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. The amount of the impairment loss shall be recognized as loss.

Financial liabilities

- A financial liability is any liability that is:
 - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
 - (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value plus transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

– **Trade payables and accruals**

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

– **Related parties**

- Transactions with related parties represent transfer of resources, services, or obligations between related parties.
- Terms and conditions relating to related party transactions are approved by management.

– **Property and equipment**

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location, and conditions necessary for them to be capable of the operating in the manner intended by management.
- After initial recognition, the property and equipment are carried in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period as an expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the assets' future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Rates
Building	4%
Computer softwares and hardwares	33.33%
Vehicles	10%
Office equipment	10%
Furniture	10%

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property, and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– **Impairment of assets**

- At each statement of financial position date, management reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the

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- value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- An impairment loss is recognized immediately as a loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- **Provisions**

- Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
- End of service indemnity provision is calculated as one month for each year of service for employees with less than 5 years- service; month and a half for each year of service for employees with more than 5 years- service; and two months for each year of service for employees with more than 10 years - service. This provision is not calculated anymore as of January 1st, 2012.

- **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

Trading Commission

JSC deducts from its members commission on the trade volume with a rate of 0.05% on the market value of trade from both of the buyer and the seller.

Security listing fees

JSC deducts security listing fees with a rate of 0.02% on the face value of the financial securities that are issued in Jordan, and the corporate bonds that are issued from Jordanian public holding companies with a maximum fee of JD 2,000 for any of them. Also, JSC deducts a fixed fee with the amount of JD 250 for issuing bonds from the government or any other official corporation or municipalities.

Security registration fees

JSC deducts security registration fees as follows:

- 0.3% from the face value of the financial securities that are issued inside Jordan, except for corporate bond, with a maximum fee of JD 50,000.
- 0.02% from the face value of the corporate bonds that are issued from the Jordanian public companies, with a maximum fee of JD 3,000.
- JSC does not charge a fee towards registering corporate bonds that are issued from the government or any other official corporation or municipalities.

Interest revenue

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Interest revenue is accrued on the time basis and by going back to the principal amount, and the active interest rate used

Grants

- Grant is not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to it and that the grant will be received.
- Grants are recognized as income on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets. Other grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognized in profit or loss in the period in which they become receivable.

3. Cash and cash equivalents

	2012	2011
	JD	JD
Deposit account at bank - JD (*)	7,547,094	10,787,969
Current accounts at banks - JD	3,765	3,491
Total	7,550,859	10,791,460

(*) Deposit is tied for a month and the interest rate is around 4%.

4. Accounts receivable and other debit balances

	2012	2011
	JD	JD
Accrued revenues	190,068	265,997
Less: Allowance for doubtful accrued revenue provision (*)	(152,537)	(145,030)
Net accrued revenues	37,531	120,967
Securities Deposit Center receivable	27,502	21,809
Amman Stock Exchange receivable	28,918	22,838
Prepaid expenses	10,213	8,099
Refundable deposits	4,586	4,686
Employees receivable	3,408	5,957
Others	1,647	1,632
Advances to suppliers	1,590	15,963
Work advance	1,072	72
Total	116,467	202,023

(*)Movement of allowance for doubtful accrued revenues provision during the year was as follows:

	2012	2011
	JD	JD
Balance - beginning of the year	145,030	161,617
Provision written back	-	(16,587)
Provided during the year	7,507	-
Balance - end of year	152,537	145,030

5. Employees' housing loans receivable

	2012			2011
	Current	Non - current	Total	Total
	JD	JD	JD	JD
Loans receivable	29,846	364,379	394,225	449,706
Less: Doubtful loans provision (*)	(1,476)	(54,294)	(55,770)	(54,294)
Net	28,370	310,085	338,455	395,412



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(*) Movement of allowance for doubtful loans during the year was as follows

	2012	2011
	JD	JD
Balance - beginning of the year	54,294	52,818
Provided during the year	1,476	1,476
Balance - end of the year	55,770	54,294



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6. Jordan National Financial Center project's land

The board of commissioners agreed on March 6th, 2013 to transfer the ownership of the building that belongs to JSC on land number (208) block number (8) from Amman lands with area of (15) acres and (285) squared meters from JSC to the Treasury of the Hashemite Kingdom of Jordan for the purpose of the Ministry of Finance according to an official selling contract. Previously, the Council of Ministers decided in their meeting on October 3rd, 2012 to transfer the ownership of the building from JSC to the Ministry of Finance. On March 7th, 2013, a promising contract was issued to transfer the building ownership between the Ministry of Finance and JSC.

7. Property and equipment

	Land (*)	Building (*)	Computer hardwares and softwares	Vehicles	Office equipment	Furniture	Total
2012	JD	JD	JD	JD	JD	JD	JD
Cost							
Balance - beginning of the year	287,483	2,879,757	1,343,684	469,567	111,718	184,248	5,276,457
Additions	-	-	-	-	7,587	-	7,587
Balance - end of the year	287,483	2,879,757	1,343,684	469,567	119,305	184,248	5,284,044
Accumulated Depreciation							
Balance - beginning of the year	-	1,189,963	1,153,843	365,722	63,141	150,324	2,922,993
Depreciation (*)	-	115,503	97,615	25,971	9,378	8,018	256,485
Balance - end of the year	-	1,305,466	1,251,458	391,693	72,519	158,342	3,179,478
Net	287,483	1,574,291	92,226	77,874	46,786	25,906	2,104,566
2011							
Cost							
Balance - beginning of the year	287,483	2,879,757	1,319,166	469,567	121,147	192,553	5,269,673
Additions	-	-	146,537	-	3,638	730	150,905
Disposal	-	-	(122,019)	-	(13,067)	(9,035)	(144,121)
Balance - end of the year	287,483	2,879,757	1,343,684	469,567	111,718	184,248	5,276,457
Accumulated Depreciation							
Balance - beginning of the year	-	1,074,771	944,383	339,270	64,965	149,620	2,573,009
Depreciation	-	115,192	331,456	26,452	9,893	9,664	492,657
Disposal	-	-	(121,996)	-	(11,717)	(8,960)	(142,673)
Balance - end of the year	-	1,189,963	1,153,843	365,722	63,141	150,324	2,922,993
Net	287,483	1,689,794	189,841	103,845	48,577	33,924	2,353,464

(*) The building and land included above represent the JSC's share of 47% ownership of the building that is common between JSC, Amman Stock Exchange, and Securities Deposit Center. The building and the land are registered under JSC's name.

8. Accounts payable and other credit balances

				2012	2011
				JD	JD
Unearned revenues				196,193	209,100
Deposits				135,102	870,072
Accrued expenses				47,491	22,232
Income tax payable				19,599	-
JSC employees medical fund payable				5,311	-
Postage payable / Ministry of Finance				766	36
Suppliers payable				-	14,373
Deferred grant revenues				-	5,500
Total				404,462	1,121,313

9. End of service indemnity provision

				2012	2011
				JD	JD
Balance - beginning of the year				3,392,092	4,260,652
Provided during the year				210,000	564,313
Paid during the year				(3,400,600)	(1,432,873)
Balance - end of the year				201,492	3,392,092

According to the official newspaper in 2011, a modification on the Civil Service System no. (30) For year 2007 and its amendments was issued, accordingly, the employees of JSC became subject to the Civil Service System since January 1st, 2012. This system stated to pay end of service benefits for the JSC's employees who deserve them, according to the special legislations of their departments before applying the Civil Service System, and the benefits will be calculated based on the special legislations until December 31, 2011 and according to the instructions issued by the Civil Service Board for that purpose.

10. Amman Security Exchange advance

This item represents the advance from the Amman Stock Exchange during 2004 to buy the land of Jordanian National Financial Center Project, which is still registered under JSC.

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11. Other revenues, net

					2012	2011
					JD	JD
Others					8,987	1,268
Grants					5,500	180,416
Housing loans interests					(716)	9,572
Loss on disposal of property and equipment					-	(1,448)
Net					13,771	189,808

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12. Administrative expenses

	2012	2011
	JD	JD
Salaries, wages and other benefits	1,886,587	2,260,912
Deprecation	256,485	492,656
End of service indemnity	210,000	564,312
JSC contribution in employees' medical fund	210,000	210,000
Company's contribution in social security	185,336	213,602
Water and electricity	141,531	90,888
Maintenance	104,046	50,564
Professional fees	55,680	73,095
Subscriptions	31,709	23,701
Fuel	26,975	15,733
Communication	23,377	30,017
JSC contribution in employees 'saving fund	18,347	216,513
Security	18,024	23,931
Cleaning	16,847	19,706
Training	16,489	18,039
Stationary and printings	14,651	15,319
Doubtful accrued revenues expense and employees loans receivable	8,983	12,689
Insurance	8,249	45,522
Travel allowance	7,736	18,926
Miscellaneous	6,486	9,000
Hospitality	5,474	5,636
Staff uniform	2,151	5,133
Developing programs	339	122,950
Total	3,255,502	4,538,844



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13. Legal cases against JSC

There are legal cases raised by others against JSC and other parties and which are still outstanding at the related courts amounting to JD 974,767, and the legal cases which were dropped amounted to JD 3,007,002.

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14. Risk management**a) Capital risk:**

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- The entity is not exposed to currency rate risk.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates paid by the entity on borrowing from the banks:

		Change in		Effect on profit
As of December 31, 2012		interest		(loss) Equity
		%		JD
Deposit at bank		0.5	±	37,735

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.
- The entity is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a

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financial loss for the other party by failing to discharge an obligation.

- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than a year		A year and more	
	2012	2011	2012	2011
	JD	JD	JD	JD
Financial Assets				
Cash and cash equivalents	7,550,859	10,791,460	-	-
Accounts receivable and other debit balances	67,133	56,994	-	-
Employees' housing loans receivable	28,370	28,370	310,085	367,042
Total	7,646,362	10,876,824	310,085	367,042
Financial Liabilities				
Accounts payable and other credit balances	208,269	906,713	-	-
Amman Security Exchange advance	1,654,100	1,654,100	-	-
Total	1,862,369	2,560,813	-	-

15. Adoption of new and revised Standards

In the current period, the new and revised International Financial Reporting Standards (IFRSs) including the International Accounting Standards (IASs) and their interpretations have been adopted. The adoption of these new and revised Standards and Interpretations has resulted in changes to the accounting policies in the following areas:

- IAS 1 "Presentation of items of other comprehensive income". The amendments require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.
 - **Applicable for periods beginning on July 1, 2012, and after.**
- IAS 12 "Deferred tax" - Recovery of underlying assets. The amendments provide an exception to the general principles in this standard that the measurement of deferred tax assets and liabilities should

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- reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 "Investment property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.
 - **Applicable for periods beginning on January 1, 2012, and after.**

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At the date of authorization of these financial statements, the following Standards and Interpretations issued but not yet effective:

Standard or Interpretation No.	Description	Effective date
IAS (19)	"Employee benefits" - Change the accounting for defined benefit plans and termination benefits.	Jan. 1, 2013 and after
IAS (27)	"Separate financial statements" - Consolidation requirements.	Jan. 1, 2013 and after
IAS (28)	"Investment in associate and joint ventures" - Requirements for the application of the equity method accounting.	Jan. 1, 2013 and after
IAS (32)	"Financial instruments: presentation" - Offsetting financial assets and financial liabilities.	Jan.1, 2014 and after
IFRS (1)	"First - time adoption of International Financial Reporting Standards" - Government loans.	Jan. 1, 2013 and after
IFRS (7)	"Financial instruments: disclosures" - Offsetting of financial assets and financial liabilities.	Jan. 1, 2013 and after
IFRS (9)	"Financial instruments" - Classification and measurements.	Jan.1, 2015 and after
IFRS (10)	"Consolidated financial statements" - New guidance on control and consolidation.	Jan. 1, 2013 and after
IFRS (11)	"Joint arrangements" - Classified as joint operations or joint ventures.	Jan. 1, 2013 and after
IFRS (12)	"Disclosure of interests in other entities" - Disclosures.	Jan. 1, 2013 and after
IFRS (13)	"Fair value measurement" - Guidance and disclosures.	Jan. 1, 2013 and after
IFRIC (20)	"Stripping costs in the production phase of a surface mine" - Accounting, classification and measurement	Jan. 1, 2013 and after

Management anticipates that the adoption of these Standards and Interpretations in current or future periods may not have material financial impact on the financial statements.



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16. Reclassification

Certain 2011 balances have been reclassified to conform to the adopted classification in 2012.

Annexes

Annex (1) Issuances

Annex (2) Tables contain the names of parties that violated the provisions of Securities Law No. 76 for the year 2002 and related regulations and decisions issued pursuant thereto, and measures taken against violators

Annex No. (1) Issuances

Table (1) Primary issues of existing public shareholding companies that raised their capital through private subscription, capitalization of debts, and mergers							
No	Company	No. of shares offered	Method of covering additional shares	Issuing price	No. of shares covered	Value of shares covered (JD)	Date of JSC approval
1.	Winter Valley Tourism Investment Co.	4,411,765	Public offer to the company's shareholder	0.68	2,846,675	1,935,739	26/06/2012
2.	Arab Banking Corporation	942,863	Covering unsubscribed shares through non public offer	1.00	942,863	942,863	11/04/2012
3.	Arab Assurers	2,500,000	Capitalization of debts	1.00	2,500,000	2,500,000	16/05/2012
4.	Al-Janoub Filters Manufacturing	109,246	Capitalization of debts	0.74	109,246	80,624	05/06/2012
5.	Arab Jordanian Insurance Group	2,500,000	Capitalization of debts	1.00	2,500,000	2,500,000	19/06/2012
6.	Sheba Metal Casting	50,000	Non public offer to the company's shareholder	1.00	38,314	38,314	22/05/2012
		11,686	Covering unsubscribed shares through non public offer	1.00	11,686	11,686	
7.	Investments and Integrated Industries Co.	14,000,000	Non public offer to company's shareholder	1.00	14,000,000	14,000,000	22/05/2012
8.	Societe General De Banque-Jordanie	46,432,655	Covering unsubscribed shares through non public offer to the company's shareholder	0.87	46,432,655	40,396,410	13/06/2012
9.	Jordan Dubai Islamic Bank	11,000,000	Public offer to the company's shareholder	0.90	9,514,933	8,563,440	05/06/2012
		5,213	Enable shareholders to subscribe	0.90	5,213	4,692	31/07/2012

		1,479,854	Sale through the market	0.90	1,479,854	1,331,869	05/06/2012
10.	Jordan clothing	200,269	Allocation to Jordan engineers Association	1.00	200,269	200,269	17/07/2012
11.	Zara Investment Holding	25,000,000	Public offer to company's shareholder	1.00	9,398,196	9,398,196	14/08/2012
		10,601,804	Allocation to Najwa Madi and Al-Maseer International company	1.00	10,601,804	10,601,804	04/12/2012
12.	Jordanian Management and consulting	460,000	Non public offer to company's shareholder	1.00	389,756	389,756	14/08/2012
		70,244	Sale through the market	1.00	70,244	70,244	14/08/2012
		3,827	Enable shareholder to subscribe	1.00	0	0	09/10/2012
13.	Enjaz for Development and Multi projects	10,164,058	Allocation to Zyad Al-Manaseer	1.00	10,164,058	10,164,058	16/09/2012
14.	Jordan Poultry Processing and Marketing	8,000,000	Public offer to the company's shareholder	0.50	2,000,000	1,000,000	09/10/2012
15.	Jordan Commercial Bank	17,230,102	Public offer to the company's shareholder	1.00	10,572,281	10,572,281	05/11/2012
Total		155,173,586			123,778,047	114,702,243	

Table (2)					
Shares issued in previous years and covered in 2012					
No.	Company	Issuing price	No. of shares covered	Value of shares covered (JD)	Date of JSC approval
1	Jordan Ahli Bank/public offer to the company's shareholders	1.00	18,966,893	18,966,893	22/11/2011
	Jordan Ahli Bank/Sale through the market	1.00	1,228,411	1,228,411	22/11/2011
	Jordan Ahli Bank/enable	1.00	5,243	5,243	01/03/2012+7/3/2012

	shareholders to subscribe	1.00	8,410	8,410	05/06/2012
	Jordan Ahli Bank/enable shareholders to subscribe	1.00	3,291,043	3,291,043	13/11/2012
	Jordan Ahli Bank/Extending sale through the market by the bank between the period of 28/11/2012 till 28/1/2012				
2	Jordan Commercial Bank/sale through the market	1.00	640,179	640,179	22/11/2011
	Jordan Commercial Bank/enable shareholders to subscribe	1.00	99	99	07/03/2012
3	Arab Banking Corporation/public offer to company's shareholder	1.00	9,457,137	9,457,137	19/12/2011
4	Societe General De Banque-Jordanie/non public offer to company's shareholder	1.00	0	0	19/12/2011
5	Falcon for Investment & Financial Services/strategic investor	1.00	1,500,000	1,500,000	29/12/2011
6	Winter Valley Tourism Investment Co./Allocation to shareholders	0.75	141,651	106,238	13/03/2012
Total		35,239,066	35,203,653		

Table (3)
Companies that raised their capital through capitalization of voluntary reserves retained earning or issue premium in 2012

No	Company	Number of shares issued	Value of shares issued (JD)	Date of JSC approval	Date of shareholder's right
1	Amad Investment & Real Development	1,400,000	1,400,000	01/05/2012	15/05/2011
2	Irbid District Electricity	2,000,000	2,000,000	22/05/2012	05/06/2012
3	Jordan Islamic Bank for Finance & Inv.	25,000,000	25,000,000	05/06/2012	19/06/2012
4	Arab Orient Insurance Company	1,225,000	1,225,000	05/06/2012	19/06/2012
5	Societe General De Banque-Jordanie	3,567,345	3,567,345	13/06/2012	27/06/2012
6	Dar Al Dawa Development & Investment	2,000,000	2,000,000	19/06/2012	03/07/2012
7	Al-Bilad Medical Services	1,400,000	1,400,000	26/06/2012	10/07/2012
8	International Cards	618,373	618,373	14/08/2012	28/08/2012
	Total	37,210,718	37,210,718		

No	Company	Issuance date	Number of bonds covered	Value of bonds covered (JD)	Maturity Date	Interest Rate	Date of JSC Approval
1	Jordan Mortgage Refinance	25/01/2012	5000	5,000,000	24/01/2013	4.98%	07/09/2010
2	Jordan Mortgage Refinance	23/02/2012	5200	5,200,000	24/02/2013	4.92%	07/09/2010
3	Jordan Mortgage Refinance	26/02/2012	10000	10,000,000	26/02/2013	5.00%	07/09/2010
4	Jordan Mortgage Refinance	01/03/2012	5000	5,000,000	03/03/2013	5.00%	07/09/2010
5	Jordan Mortgage Refinance	08/05/2012	5000	5,000,000	08/05/2013	5.15%	07/09/2010
6	Jordan Mortgage Refinance	22/05/2012	3000	3,000,000	22/05/2013	5.15%	07/9/2012
7	Jordan Mortgage Refinance	23/05/2012	4000	4,000,000	23/05/2013	5.15%	07/09/2010
8	Jordan Mortgage Refinance	20/06/2012	5000	5,000,000	04/11/2012	5.00%	07/09/2010
9	Jordan Mortgage Refinance	01/07/2012	5000	5,000,000	01/07/2013	5.25%	17/04/2012
10	Jordan Mortgage Refinance	05/07/2012	7000	7,000,000	07/07/2013	5.50%	17/04/2012
11	Jordan Mortgage Refinance	30/07/2012	5000	5,000,000	30/07/2017	7.90%	17/04/2012
12	Jordan Mortgage Refinance	01/08/2012	7000	7,000,000	01/08/2013	5.80%	17/04/2012
13	Jordan Mortgage Refinance	27/09/2012	5000	5,000,000	26/09/2013	6.45%	17/04/2012
14	Jordan Mortgage Refinance	18/10/2012	7000	7,000,000	17/10/2013	6.18%	17/04/2012
15	Jordan Mortgage Refinance	05/12/2012	5000	5,000,000	05/12/2017	8.45%	17/04/2012
16	Jordan Mortgage Refinance	11/12/2012	10000	10,000,000	11/12/2013	7.40%	17/04/2012
17	Jordan Mortgage Refinance	24/12/2012	8000	8,000,000	24/12/2013	7.40%	17/04/2012
	Total		101,200	101,200,000			

No	Company	Issuance Number	Nominal Value (JD)	Issuance Date	Maturity Date	Interest Rate	Date of JSC Approval
1	Jordan Electric Power Bills	2	23,000,000	30/11/2011	30/11/2012	4.21%	24/01/2012
2	Treasury Bills	29/2011	50,000,000	14/12/2011	14/03/2012	2.90%	24/01/2012
3	Treasury Bonds	46/2011	5,000,000	18/12/2011	18/12/2013	5.94%	24/01/2012

4	Treasury Bonds	47/2011	50,000,000	20/12/2011	20/12/2013	6.00%	24/01/2012
5	Treasury Bonds	48/2011	50,000,000	22/12/2011	22/12/2013	6.01%	24/01/2012
6	Treasury Bonds	49/2011	50,000,000	26/12/2011	26/12/2013	6.03%	24/01/2012
7	Treasury Bonds	50/2011	50,000,000	27/12/2011	27/12/2013	6.08%	24/01/2012
8	Treasury Bonds	1/2012	50,000,000	08/1/2012	08/01/2014	6.17%	29/01/2012
9	Treasury Bonds	2/2012	50,000,000	11/01/2012	11/01/2015	6.81%	29/01/2012
10	Treasury Bonds	3/2012	37,500,000	15/01/2012	15/01/2016	7.25%	07/03/2012
11	Treasury Bonds	4/2012	50,000,000	19/01/2012	19/01/2017	7.49%	07/03/2012
12	Treasury Bonds	5/2012	50,000,000	29/01/2012	29/01/2014	6.11%	07/03/2012
13	Treasury Bonds	6/2012	50,000,000	08/02/2012	08/02/2014	6.42%	07/03/2012
14	Treasury Bills	1/2012	50,000,000	23/01/2012	23/07/2012	3.43%	07/03/2012
15	Treasury Bills	2/2012	50,000,000	14/02/2012	14/08/2012	3.79%	07/03/2012
16	Treasury Bills	3/2012	75,000,000	22/02/2012	22/11/2012	4.17%	28/03/2012
17	Treasury Bills	4/2012	75,000,000	29/02/2012	29/11/2012	4.23%	28/03/2012
18	Treasury Bills	5/2012	75,000,000	04/03/2012	04/12/2012	4.29%	28/03/2012
19	Treasury Bills	6/2012	75,000,000	07/03/2012	07/03/2013	4.67%	28/03/2012
20	Treasury Bonds	7/2012	75,000,000	11/03/2012	11/03/2017	7.75%	17/04/2012
21	Treasury Bonds	8/2012	75,000,000	14/03/2012	14/03/2014	6.40%	17/04/2012
22	Treasury Bonds	9/2012	100,000,000	22/03/2012	22/03/2014	6.37%	17/04/2012
23	Treasury Bonds	10/2012	100,000,000	26/03/2012	26/03/2014	6.38%	17/04/2012
24	Treasury Bonds	11/2012	50,000,000	02/04/2012	02/04/2014	6.37%	17/04/2012
25	Treasury Bills	7/2012	150,000,000	18/03/2012	18/03/2013	4.65%	17/04/2012
26	Treasury Bills	8/2012	100,000,000	28/03/2012	28/03/2013	4.77%	17/04/2012
27	Jordan Electric Power Bills	11	150,000,000	15/04/2012	15/04/2017	7.75%	01/05/2012
28	Treasury Bonds	12/2012	50,000,000	04/04/2012	04/04/2014	6.37%	01/05/2012
29	Treasury Bonds	13/2012	50,000,000	08/04/2012	08/04/2014	6.38%	01/05/2012
30	Treasury Bills	9/2012	50,000,000	10/04/2012	10/04/2013	4.88%	01/05/2012
31	Jordan Electric Power Bills	12	150,000,000	26/04/2012	26/04/2017	7.72%	22/05/2012
32	Treasury Bonds	14/2012	75,000,000	17/04/2012	17/04/2015	7.05%	22/05/2012
33	Treasury Bonds	15/2012	50,000,000	22/04/2012	22/04/2014	6.45%	22/05/2012
34	Treasury Bonds	16/2012	50,000,000	24/04/2012	24/04/2014	6.52%	22/05/2012
35	Treasury Bonds	17/2012	75,000,000	01/05/2012	01/05/2014	6.60%	22/05/2012
36	Treasury Bonds	18/2012	75,000,000	06/05/2012	06/05/2014	6.64%	22/05/2012
37	Treasury Bonds	19/2012	50,000,000	08/05/2012	08/05/2014	6.64%	22/05/2012
38	Treasury Bills	10/2012	75,000,000	24/05/2012	24/05/2013	5.18%	19/06/2012
39	Treasury Bonds	20/2012	50,000,000	10/05/2012	10/05/2015	7.22%	19/06/2012
40	Treasury Bonds	21/2012	50,000,000	14/05/2012	14/05/2014	6.64%	19/06/2012
41	Treasury Bonds	22/2012	50,000,000	16/05/2012	16/05/2014	6.65%	19/06/2012
42	Treasury Bonds	23/2012	50,000,000	20/05/2014	20/04/2014	6.65%	19/06/2012
43	Treasury Bonds	24/2012	50,000,000	22/05/2012	22/05/2014	6.65%	19/06/2012
44	Treasury Bonds	25/2012	75,000,000	28/05/2012	28/05/2014	6.65%	19/06/2012
45	Treasury Bonds	26/2012	100,000,000	31/05/2012	31/05/2014	6.65%	19/06/2012
46	Treasury Bonds	27/2012	75,000,000	04/06/2012	4/06/2014	6.93%	19/06/2012
47	Treasury Bonds	28/2012	150,000,000	14/06/2012	14/06/2014	6.92%	04/07/2012
48	Treasury Bonds	29/2012	150,000,000	19/06/2012	19/06/2015	7.57%	04/07/2012
49	Treasury Bonds	30/2012	150,000,000	25/06/2012	25/06/2015	7.69%	24/07/2012
50	Treasury Bonds	31/2012	75,000,000	01/07/2012	01/07/2015	7.74%	24/07/2012
51	Treasury Bonds	32/2012	75,000,000	04/07/2012	04/07/2015	7.77%	24/07/2012
52	Treasury Bonds	33/2012	100,000,000	11/07/2012	11/07/2015	7.79%	24/07/2012

53	Treasury Bills	11/2012	75,000,000	08/07/2012	08/07/2013	5.65%	24/07/2012
54	Treasury Bills	12/2012	75,000,000	15/07/2012	15/07/2013	5.75%	14/08/2012
55	Treasury Bonds	34/2012	75,000,000	18/07/2012	18/07/2014	7.08%	14/08/2012
56	Treasury Bonds	35/2012	75,000,000	22/07/2012	22/07/2014	7.19%	25/09/2012
57	Treasury Bonds	36/2012	75,000,000	25/07/2012	25/07/2014	7.24%	25/09/2012
58	Treasury Bonds	37/2012	75,000,000	02/08/2012	02/08/2015	7.96%	25/09/2012
59	Treasury Bonds	38/2012	50,000,000	06/08/2012	06/08/2014	7.28%	25/09/2012
60	Treasury Bonds	39/2012	50,000,000	09/08/2012	09/08/2014	7.31%	25/09/2012
61	Treasury Bonds	40/2012	50,000,000	15/08/2012	15/08/2014	7.30%	25/09/2012
62	Treasury Bonds	41/2012	50,000,000	22/08/2012	22/08/2014	7.33%	25/09/2012
63	Treasury Bills	13/2012	75,000,000	13/08/2012	13/08/2013	5.84%	25/09/2012
64	Housing and Urban Development Corporation Bonds	5	20,000,000	29/07/2012	29/07/2015	7.97%	25/09/2012
65	Water Authority Bonds	55	26,000,000	05/09/2012	05/09/15	8.13%	09/10/2012
66	Treasury Bills	14/2012	50,000,000	27/08/2012	27/08/2015	5.94%	09/10/2012
67	Treasury Bills	15/2012	50,000,000	10/09/2012	10/09/2013	6.04%	09/10/2012
68	Treasury Bills	16/2012	50,000,000	20/09/2012	20/09/2013	6.16%	09/10/2012
69	Treasury Bonds	42/2012	50,000,000	30/08/2012	30/08/2014	7.39%	09/10/2012
70	Treasury Bonds	43/2012	50,000,000	03/09/2012	03/09/2014	7.45%	09/10/2012
71	Treasury Bonds	44/2012	50,000,000	12/09/2012	12/09/2014	7.58%	09/10/2012
72	Treasury Bonds	45/2012	50,000,000	16/09/2012	16/09/2014	7.65%	09/10/2012
73	Treasury Bonds	46/2012	50,000,000	24/09/2012	24/09/2015	8.27%	09/10/2012
74	Treasury Bonds	47/2012	50,000,000	30/09/2012	30/09/2014	7.65%	05/11/2012
75	Treasury Bonds	48/2012	50,000,000	04/10/2012	04/10/2015	8.30%	05/11/2012
76	Treasury Bonds	49/2012	50,000,000	10/10/2012	10/10/2014	7.61%	05/11/2012
77	Treasury Bonds	50/2012	50,000,000	14/01/2012	14/10/2015	8.30%	05/11/2012
78	Treasury Bonds	51/2012	50,000,000	16/10/2012	16/10/2014	7.65%	05/11/2012
79	Treasury Bills	17/2012	50,000,000	26/09/2012	26/09/2013	6.18%	05/11/2012
80	Treasury Bills	18/2012	50,000,000	08/10/2012	08/10/2013	6.18%	05/11/2012
81	Treasury Bonds	57/2012	50,000,000	08/11/2012	08/11/2014	7.65%	04/12/2012
82	Treasury Bonds	58/2012	50,000,000	11/11/2012	11/11/2015	8.30%	04/12/2012
83	Treasury Bonds	59/2012	50,000,000	13/11/2012	13/11/2015	8.30%	11/12/2012
84	Treasury Bonds	60/2012	75,000,000	20/11/2012	20/11/2015	8.30%	11/12/2012
85	Treasury Bonds	61/2012	80,000,000	27/11/2012	27/11/2014	7.65%	11/12/2012
86	Treasury Bills	19/2012	75,000,000	18/11/2012	18/11/2013	6.18%	11/12/2012
87	Treasury Bills	20/2012	70,000,000	22/11/2012	22/11/2013/	6.18%	11/12/2012
88	Treasury Bills	21/2012	50,000,000	04/12/2012	04/12/2013	6.91%	26/12/2012
89	Treasury Bonds	62/2012	80,000,000	29/11/2012	29/11/2014	7.65%	26/12/2012
90	Treasury Bonds	63/2012	80,000,000	02/12/2012	02/12/2015	8.30%	26/12/2012
91	Treasury Bonds	65/2012	50,000,000	10/12/2012	10/12/2014	7.95%	26/12/2012
The total till the end of December			5,991,500,000				

Annex No. (2) Number and type of violations and measures taken against violators

Table (1)
Brokerage companies that failed to get legal authorizations from clients or accept authorizations from non-authenticated clients

No.	Violating Company	Measures Taken
1.	Asia Financial Broker ¹	- A Fine - Recorded in JSC Records
2.	Investment House for Financial Services	- A Fine -Recorded in JSC Records
3.	Jordan Expatriates for Financial Brokerage ²	- A Fine - Recorded in JSC Records

¹ violation was repeated twice by the company

² violation was repeated twice by the company

Table (2)
Brokerage company that failed to comply with the ongoing licensing requirements

No.	Violating Company	Measures Taken
1.	Jordan Investment Trust ¹	-Recorded in JSC Records

¹ violation was repeated twice by the company

Table (3)**Parties that failed to trade with no legalized contracts between brokers**

No.	Violating Company	Measures Taken
1.	Amwal Invest	-A Fine -Recorded in JSC Records
2.	Mu'tasem Fayez Ibrahim Al.Fa'oury	- A Fine -Recorded in JSC Records
3.	Mazen Hamzeh Tantash	-A Fine -Recorded in JSC Records
4.	Omar Sayel Salem Abwy	-A Fine -Recorded in JSC Records
5.	Naser Mohammad Abdel.Ghani Al.Amad ¹	-A Fine -Recorded in JSC Records
6.	Tareq Mohammad Dawood Al.Muhtaseb	-A Fine -Recorded in JSC Records
7.	Mohammad Dawood Al.Muhtaseb	-A Fine -Recorded in JSC Records
8.	Jamal Zuhair Abdel.Ghani Al.Amad	-A Fine -Recorded in JSC Records
9.	United Arab Investors	-A Fine -Recorded in JSC Records

¹ violation was repeated twice by the company

Table (4)**Financial services company that committed a violation by allowing accounts receivable to exceed 50% of owners' equity**

No.	Violating Company	Measures Taken
1.	Al Yasmeeen for Securities ¹	-Warning -Recorded in JSC Records

¹ violation was repeated 5 times by the company

Table (5)

Parties that committed a violation by providing misleading data to the JSC, or behaving in a manner that gives misleading impression regarding the price or volume of trading in any security, or auditor's approving on misleading financial data

No.	Violating Company	Measures Taken
1.	Istithmar for Financial Services	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC -Recorded in JSC Records
2.	Al- Eman Financial Investments	- Warning
3.	United Group (holdings)	-A Fine -Recorded in JSC Records
4.	First Finance	-A Fine -The company was ordered to comply with the Law, instructions and decisions of the JSC
5.	Babelon Investments	-A Fine -Recorded in JSC Records
6.	United Arab Investors	-A Fine -Recorded in JSC Records
7.	Ghosheh & Co	-A Fine -Recorded in JSC Records
8.	Siniora Food Industries	-A Fine -Recorded in JSC Records
9.	Certified Auditors Co	-A Fine -Recorded in JSC Records
10.	Housing Gold System Co	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
11.	Ra'id Najm Abdallah Al.Jourani	-A Fine - The company was ordered to comply with the Law,

		instructions and decisions of the JSC
12.	Specialized Investment Compounds	-A Fine -Recorded in JSC Records
13.	Al Faris National Company for Investment and Export	-A Fine -Recorded in JSC Records

Table (6)

Parties that violated the law with regard to book-keeping and accounting records being kept in a disorganized manner, or that failed to take the necessary measures to ensure the accuracy of information and to ensure financial and administrative oversight, or parties that violated the duties of the Compliance Officer

No.	Violating Person	Measures Taken
1.	Istithmar for Financial Services	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC -Recorded in JSC Records
2.	United Financial Investments	- The company was ordered to comply with the Law, instructions and decisions of the JSC
3.	Mazen Hamzeh Tantash	- The company was ordered to comply with the Law, instructions and decisions of the JSC
4.	Al- Eman Financial Investments	-Warning -Recorded in JSC Records

5.	Mubadala Financial Investments	- The company was ordered to comply with the Law, instructions and decisions of the JSC.
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Table (7)

The two brokerage companies that violated the circular which requires the presence of the statement: “For the first beneficiary only” on the cheques they issued

No.	Violating Company	Measures Taken
1.	Jordanian Saudi Emirates Financial Investment	- The company was ordered to comply with the Law, instructions and decisions of the JSC.
2.	International Financial Advisors	-Warning -Recorded in JSC Records

Table (8)

Financial services companies that committed a violation by violating the Code of Conduct, or misusing clients' funds

No.	Violating Company	Measures Taken
1.	Jordanian Saudi Emirates Financial Investment	- The company was ordered to comply with the Law, instructions and decisions of the JSC
2.	Aman for Securities	-A Fine -Recorded in JSC Records

Table (9)
Financial services companies that failed to submit to the JSC their annual and semiannual reports within the specified period

No.	Violating Company	Measures Taken
1.	Arab Falcon for Selling and Buying Securities ¹	-A Fine -Recorded in JSC Records
2.	Jordan River Financial Investment ²	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
3.	Ammwal Brokerage ³	-A Fine -Recorded in JSC Records
4.	Ithmar for Investment and Financial Appraisal	-A Fine -Recorded in JSC Records
5.	Al- Eman Financial Investments	- The company was ordered to comply with the Law, instructions and decisions of the JSC
6.	Alnour for Financial Investments	-A Fine -Recorded in JSC Records

¹ violation was repeated twice by the company

² violation was repeated twice by the company

³ violation was repeated twice by the company

Table (10)
Financial services companies that violated Margin Financing Instructions

No.	Violating Company	Measures Taken
1.	International Brokerage & Financial Markets ¹	- Warning -Recorded in JSC Records
2.	Al- Eman Financial Investments ²	- Warning -Recorded in JSC Records
3.	Al-multaqaa Brokerage and Financial Services ³	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC
4.	Ahli Brokerage ⁴	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC
5.	Almawared for Brokerage ⁵	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC
6.	Investment House for Financial Services ⁶	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC
7.	Mubadala Financial Investment	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC
8.	Delta Financial Investments	- Warning -Recorded in JSC Records

¹ violation was repeated 5 times by the company

² violation was repeated 12 times by the company

³ violation was repeated 11 times by the company

⁴ violation was repeated 11 times by the company

⁵ violation was repeated 3 times by the company

⁶ violation was repeated 3 times by the company

Table (11)

Financial services companies that violated the Financial Adequacy Instructions

No.	Violating Company	Measures Taken
1.	National Portfolio Securities ¹	- Warning - Recorded in JSC Records
2.	Istithmar for Financial Services ²	Ordered to comply with the Law
3.	Alaula Financial Investments	- Warning - Recorded in JSC Records
4.	Mubadala Financial Investment	-A Fine -Recorded in JSC Records

¹ violation was repeated 14 times by the company

² violation was repeated 8 times by the company

Table (12)
Financial services companies that violated the Anti Money Laundering Instructions

No.	Violating Company	Measures Taken
1.	Jordanian Saudi Emirates Financial Investment	- The company was ordered to comply with the Law, instructions and decisions of the JSC
2.	Arab Falcon for Selling and Buying Securities	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
3.	Jordan River Financial Investment	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
4.	Ammwal Brokerage	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
5.	Imcan for Financial Services	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
6.	United Arab Jordan for Investment & Financial Brokerage	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
7.	International Financial Center	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
8.	Ahli Brokerage	-A Fine

		- The company was ordered to comply with the Law, instructions and decisions of the JSC
9.	Excel for Financial Investment	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
10.	Almawared for Brokerage	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
11.	Mubadala Financial Investment	- The company was ordered to comply with the Law, instructions and decisions of the JSC

Table (13)

Parties that failed to notify the JSC of their ownership of 5% or more of securities of an issuing company, or failed to disclose their motives for purchasing when their ownership reached 10%

No.	Violating Company	Measures Taken
1.	Bassam Hafez Abaid	- Warning -The company was ordered to comply with the Law, instructions and decisions of the JSC
2.	Al-So'oud Limited	-A Fine -Recorded in JSC Records

Table (14)

The two public shareholding companies that failed to disclose to the Commission that one of their branches or factories stopped working, or that failed to disclose to the Commission any judicial or labor disputes that they initiated or that were initiated against them

No.	Violating Company	Measures Taken
1.	Babelon Investments	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
2.	The Investors & Eastern Arab For Industrial & Real Estate Investments	- A Fine - Recorded in JSC Records

Table (15)

Parties that failed to adopt the International Accounting Standards when preparing financial statements, or failed to prepare consolidated financial statements for the mother company, or make a summary for the financial statements of the subsidiary company.

No.	Violating Company	Measures Taken
1.	Babelon Investments	- Warning - Recorded in JSC Records
2.	United Arab Investors	-A Fine -Recorded in JSC Records
3.	Middle East Complex for Engineering, Electronics & Heavy Industries	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC
4.	Ghosheh & Co	-A Fine -Recorded in JSC Records
5.	Ejada for Financial Investments	-A Fine -Recorded in JSC Records
6.	United Group (holding)	-A Fine

		-Recorded in JSC Records
7.	Al Faris National Company for Investment & Export	-A Fine -Recorded in JSC Records
8.	First Finance	-A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC

Table (16)

Public shareholding companies that failed to notify the JSC of any changes in their boards of directors

No.	Violating Company	Measures Taken
1.	United Arab Investors	- A Fine - Recorded in JSC Records
2.	Jordan Emirates Insurance	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC
3.	Assas for Concrete Products	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC

Table (17)

Public shareholding companies that failed to notify the JSC of any decision to issue new securities or to redeem existing ones, or failed to provide the JSC with the decisions of their boards of directors regarding dividends distribution or purchase of their shares

No.	Violating Company	Measures Taken
1	United Group (holding)	- A Fine - Recorded in JSC Records
2.	Union Bank	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC

Table (18)

Public shareholding companies that failed to submit to the JSC their preliminary results reports within 45 days of the end of the fiscal year

No.	Violating Company	Measures Taken
1.	Jordan Chemical Industries	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
2.	Batelco Jordan	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
3.	Sheba Metal Casting	- Warning - The company was ordered to comply with the Law,

		instructions and decisions of the JSC - Recorded in JSC Records
4.	Jordan Clothing	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
5.	Afia International (JORDAN)	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
6.	Amana Agricultural & Industrial Investment	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
7.	Arab Center for Pharmaceuticals & Chemicals Industries	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
8.	Jordan Cement Factories	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
9.	Jordan Paper & Cardboard Factories	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
10.	United Group (holding)	- A Fine - The company was ordered

		to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
11.	Ard Anomow for Real Estate Development & Investment	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
12.	Awtad for Diversified Investments	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
13.	Comprehensive Multiple Transport	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
14.	Taameer Jordan (Holdings)	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
15.	Amwal Invest	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
16.	The Investors & Eastern Arab for Industrial & Real Estate Investments	- A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
17.	Arab Real Estate Development	- A Fine

		<ul style="list-style-type: none"> - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
18.	United Arab Investors	<ul style="list-style-type: none"> - A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
19.	Jordan Press Foundation	<ul style="list-style-type: none"> - A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
20.	First Insurance	<ul style="list-style-type: none"> - A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
21.	Arab German Insurance	<ul style="list-style-type: none"> - A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
22.	Middle East Complex for Engineering, Electronics & Heavy Industries	<ul style="list-style-type: none"> - A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records
23.	Middle East Pharmaceutical & Chemical Industries & Medical Appliances	<ul style="list-style-type: none"> - A Fine - The company was ordered to comply with the Law, instructions and decisions of the JSC - Recorded in JSC Records

Table (19)
Public shareholding companies that failed to submit to the JSC their annual reports within the specific period

No.	Violating Company	Measures Taken
1.	Jordan Commercial Bank	- A Fine - Recorded in JSC Records
2.	Arab German Insurance	- A Fine - Recorded in JSC Records
3.	Al Barakah Takaful	- A Fine - Recorded in JSC Records
4.	Al Ahlia Enterprises	- A Fine - Recorded in JSC Records
5.	United Arab Investors	- A Fine - Recorded in JSC Records
6.	Arab East real Investment Co.	- A Fine - Recorded in JSC Records
7.	The Investors & Eastern Arab for industrial & Real Estate Investments	- A Fine - Recorded in JSC Records
8.	Amwal Invest	- A Fine - Recorded in JSC Records
9.	Al-Ro'aya for Investment	- A Fine - Recorded in JSC Records
10.	Taameer Jordan	- A Fine - Recorded in JSC Records
11.	Awtad fir Diversified Investments	- A Fine - Recorded in JSC Records
12.	Al_jamil for General Investments	- A Fine - Recorded in JSC Records

13.	Ard Anomow for Real Estate Development & Investment	- A Fine - Recorded in JSC Records
14.	Darwish Al-Khalili & sons	- A Fine - Recorded in JSC Records
15.	Model Restaurants	- A Fine - Recorded in JSC Records
16.	United Group Holdings	- A Fine - Recorded in JSC Records
17.	Aman for Securities	- A Fine - Recorded in JSC Records
18.	Jordan petroleum Refinery	- A Fine - Recorded in JSC Records
19.	United Integrated for Mulples Industries & Investments	- A Fine - Recorded in JSC Records
20.	Middle East Complex for Engineering , Electronics & Heavy Industries	- A Fine - Recorded in JSC Records
21.	Al kindi Pharmaceutical Industries	- A Fine - Recorded in JSC Records
22.	Amana for Agricultural and Industrial Investment	- A Fine - Recorded in JSC Records
23.	Afia International (Jordan)	- A Fine - Recorded in JSC Records
24.	Al_Rakaez Investment	- Warning - Recorded in JSC Records
25.	The Jordan Pipes Manufacturing	- Warning - Recorded in JSC Records

26.	Arab Center For Pharmaceutical &chemicals Industries	- Warning - Recorded in JSC Records
27.	Middle East pharmaceutical &Chemical Industries &medical Appliances	- Warning - Recorded in JSC Records
28.	Jordan Oil shale Energy	- Warning - Recorded in JSC Records
29.	Electricity Distribution	- Warning - Recorded in JSC Records
30.	Beit Al Mal Saving &investment for Housing	- Warning - Recorded in JSC Records
31.	Jordan Investment Trust	- Warning - Recorded in JSC Records
32.	Premier Business & projects	- Warning - Recorded in JSC Records
33.	Al Bilad Medical Services	- Warning - Recorded in JSC Records
34.	Jordan Emirates Dimensions for Commercial Investment	- Warning - Recorded in JSC Records
35.	Jordan Press Foundation / Al-rai	- Warning - Recorded in JSC Records
36.	Binder Trading& Investment	- Warning - Recorded in JSC Records
37.	Akary for industries&Real Estate Investments	- Warning - Recorded in JSC Records
38.	Arab Alumimium Industry	- A Fine - Recorded in JSC Records

39.	Jordan Investment & tourism Transport	- A Fine - Recorded in JSC Records
40.	Emmar Investments & Real Estate Development	- A Fine - Recorded in JSC Records
41.	Universal Chemical Industries	- A Fine - Recorded in JSC Records
42.	Ad Dulayl Industrial Park & Real Estate	- A Fine - Recorded in JSC Records
43.	Siniora Food Industries	- A Fine - Recorded in JSC Records
44.	Al- Tajamouad For Catering & Housing	- A Fine - Recorded in JSC Records
45.	Dar Al Dawa Development & Investment	- A Fine - Recorded in JSC Records
46.	El-Zay Ready Wear Manufacturing	- A Fine - Recorded in JSC Records
47.	Invest Bank	- A Fine - Recorded in JSC Records
48.	Pearl Sanitary paper covering	- A Fine - Recorded in JSC Records
49.	Jordan French Insurance	- A Fine - Recorded in JSC Records
50.	Al-Tajamouat For Touristic Projects	- A Fine - Recorded in JSC Records
51.	Comprehensive Multiple Transport	- Warning - Recorded in JSC Records

52.	Capital Bank of Jordan	- A Fine - Recorded in JSC Records
53.	Future Arab investment	- A Fine - Recorded in JSC Records
54.	Specialized investments Compounds	- A Fine - Recorded in JSC Records
55.	Shira' Real Estate Development & Investment	- A Fine - Recorded in JSC Records
56.	Ammoun International For Multiralted Investments	- A Fine - Recorded in JSC Records
57.	Jordan Phosphate Mines	- A Fine - Recorded in JSC Records
58.	Salam International Transport & Trading	- A Fine - Recorded in JSC Records
59.	Jordan Dubai Islamic Bank	- A Fine - Recorded in JSC Records
60.	Jordan Clothing	- A Fine - Recorded in JSC Records
61.	National Steel Industry	- A Fine - Recorded in JSC Records
62.	Jordan Press& Publishing	- A Fine - Recorded in JSC Records
63.	South Electronics	- A Fine - Recorded in JSC Records
64.	Rum- Aladdin For Engineering Industries	- A Fine - Recorded in JSC Records

65.	The Industrial Commercial & Agricultural	- A Fine - Recorded in JSC Records
66.	Trust International Transport	- A Fine - Recorded in JSC Records
67.	The Jordanian Pharmaceutical Manufacturing	- A Fine - Recorded in JSC Records
68.	Furst batuibak Vegetable Oil Industries	- A Fine - Recorded in JSC Records
69.	International Ceramic Industries	- A Fine - Recorded in JSC Records
70.	Bank Al Etihad	- A Fine - Recorded in JSC Records
71.	Nutridar	- Warning - Recorded in Jsc Records
72.	Al faris national Company for Investment & Export	- A Fine - Recorded in JSC Records
73.	Investment house for Financial Services	- A Fine - Recorded in JSC Records
74.	Jordan Weed Industries (JWICO)	- A Fine - Recorded in JSC Records
75.	Bank of Jordan	- A Fine - Recorded in JSC Records
76.	Holy Land Insurance	- Warning - Recorded in JSC records
77.	Al- Barakat Investment Group	- A Fine - Recorded in JSC Records

78.	National Poultry	- A Fine - Recorded in JSC Records
79.	Arab Weavers Union	- A Fine - Recorded in JSC Records
80.	Resources Company For Development & Investment	- A Fine - Recorded in JSC Records
81.	International Brokerage & Financial markets	- A Fine - Recorded in JSC Records
82.	Darat Jordan Holdings	- A Fine - Recorded in JSC Records
83.	Ejad for Financial Investments	- A Fine - Recorded in JSC Records

Table (20)

Parties that violated the resolutions of the Board of Commissioners concerning the suspension of trading by members of the Board of Directors, the General Manager, and the Chief Financial Officer in the shares of certain companies whether directly or indirectly

No.	Violating Company	Measures Taken
1.	Al-safweh for financial Investments	- Warning - Recorded in JSC Records
2.	Saleem Abd Alrahman Hassan Hamdan	- A Fine - Recorded in JSC Records
3.	Ajiad for Securities	- Warning - The company was ordered to comply with the Law, instructions and decisions of the JSC.
4.	First Jordan Investment	- A Fine

		- The company was ordered to comply with the Law, instructions and decisions of the JSC
5.	Al-nadwa for financial services & Investment	- Warning - Recorded in JSC Records
6.	Jordan Commercial Bank	- A Fine - Recorded in JSC Records
7.	Almutamakkena for Investments	- Warning - Recorded in JSC Records
8.	The Arab Financial Investment	- Warning - Recorded in JSC Records

Table (21)

The two parties that violated the law in relation to a broker or his registered persons trading through another broker

No.	Violating Person	Measures Taken
1.	Mohammad jameel Hasiba	- Warning - Recorded in JSC Records
2.	Maa'roof Othman maa'roof abu Samra	- Warning - Recorded in JSC Records

Table (22)

The two shareholding companies that offered securities for sale without registering them with the Commission or that made a public offer without providing all the required data and information, or that sold securities through a public offer without a valid prospectus

No.	Violating Company	Measures Taken
1.	Investments and Integrated Industries	- Warning -Recorded in JSC Records
2.	Euro Arab Insurance Group	-A fine -Recorded in JSC Records

Table (23)

The public shareholding company that offered shares not subscribed through the market for sale outside the legal period

No.	Violating Company	Measures Taken
1.	Jordan Clothing	- A fine - The company was ordered to comply with the Law, instructions and decisions of the JSC

Table (24)

Brokerage firm that declined to convert the securities to the Depository Center without legal cause

No.	Violating Company	Measures Taken
1.	Eva for services	-A Fine -Recorded in JSC Records

Table (25)**Public Shareholding Company that failed to comply with the decision of the Board of Commissioners to lift the ban on shares**

No.	Violating Company	Measures Taken
1.	Ubour Logistic Services	- Afine -Recorded in JSC Records

Table (26)**Brokerage firm that failed to show the market value of the client's portfolio in the financial statements**

No.	Violating Company	Measures Taken
1.	United Financial Investments	- The company was ordered to comply with the Law, instructions and decisions of the JSC

Table (27)**Public shareholding companies that failed to disclose to the Commission any major transactions contracted or annulled by the company, or that failed to report to the Commission any non-recurring matters or incidents that have an impact on the company's earnings or financial position**

No.	Violating Company	Measures Taken
1.	United Arab Investors	- A fine - Recorded in JSC records
2.	Siniora Food Industries	- A fine - Ordered to Comply with the Law Provisions
3.	Public Shareholding Companies	- A fine

		- Recorded in JSC records
4.	Century Investment Group	- Warning - Recorded in JSC Records



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