

Foreign direct investment under UAE and Jordanian Laws

Dr. Mudhafar Jaber Al Rawi¹, Ahmad Khaldoun Al Dhahir²

¹ Associate Professor, Private Law Department, Faculty of Law, University of Sharjah , UAE

² Assistant Professor, Private law Department, Faculty of Law, Jerash University, Jordan

Abstract

This paper addresses the foreign direct investment which is deemed as one of the most important means contributing to development and an important source of funding for the hosting (investment recipient) countries. The present paper sheds the light on the privileges provided for in the investment laws in the United Arab Emirates and the Hashemite Kingdom of Jordan for foreign investors aiming at providing a suitable investment to attract foreign investments, in addition to the incentives and guarantees granted by both laws to the foreign investor.

The paper concluded to that the success of investment- attracting environment depends on several factors, the most important of which are the political and economic stability in both countries, the mitigation of bureaucratic procedures, consistency of investment laws and the local currency rate of exchange, facilitation of transport and easy entry visas, and availability of technical labor hands and privileges relating to tax exemptions.

Keywords: foreign direct investment, uae law, jordanian law, foreign investment, foreign investment incentives

Introduction

Foreign investment is one of the most important contributing to stimulating the economic development drive of countries through financial inflows to the host country, where countries, whether rich or poor, worked hard on removing all restrictions that obstruct the entry of foreign investments into their territories by enacting legislations attracting investors to their countries with view to get a hold of best investment opportunities. Moreover, flexibility and quality of legislations are matters of great importance, where some called for according a constitutional value to this principle ^[1].

Conceptual Framework of Foreign direct investment

In general, investment is one of the important sources of economic funding of states ^[2]; therefore, many Arab states have facilitated the procedures for such investment with a view to attract them through enacting suitable laws and legislations and granting incentives to foreign investment. The share of Arab states of foreign direct investment is, however, slight due to the political instability therein, which was a main reason for the modest size of foreign investment in most countries of the Arab World ^[3]. Subject of the paper requires addressing the concept of foreign direct investment (Theme One) then investigating the investment environment and its elements (Theme Two).

Concept of Foreign Direct Investment

Investment in language is: the use and employment of

money with a view to achieve the fruit of such a use through money growth over a period of time ^[4]. Investment can be legally defined as: "provision of material and moral properties by a natural or legal person for direct or indirect contribution in an existing or future project aiming at carrying out an economic activity over a reasonable period of time ^[5]. As for the investment project in its legal term, the UAE law defined it in Article One thereof as: "Any economic activity that takes one of the legal forms of companies set forth in the Companies Law, through which direct investment of foreign capital is carried out in accordance with the provisions of this Decree-Law." The Jordanian Investment Law No. 30 of 2014 makes no distinction between a foreign or national investment as it defined the investor as: "The natural or legal person exercising an economic activity in the Kingdom in accordance with this Law," and defined the economic activity in Article Two thereof as: "Any industrial, agricultural, tourist, media, handicraft or service activity, including information technology." It granted certain privileges to the non- Jordanian investor through the Regulation on Organizing Non-Jordanian Investments No. 77 of 2016 as we will elaborate hereunder.

Foreign direct investment can be defined as: an investment made by a natural or legal person in one country in another country, whether by full partial acquisition of the project share with a view to realize profits ^[6]. The International Monterey Fund (OECD 1996) defined it as follows "Foreign Direct Investment reflects the objective of establishing a

¹ Hussein Ibrahim, Hussein Mohammed Musleh, Judicial Control of the Rights to Protest and Strike, Comparative Study, NAS Press, Cairo, 2015, p. 7.

² Gray, Cheryl, Jarsoz, William, Law and the Regulation of Foreign Direct Investment: The Experience from Central and Eastern Europe, 33 Colum. J. Transnat'l L. p. 4 (1995).

³ Thair Kaddumi, Determinant Factors Attracting Foreign Direct Investment to Jordan -An Analytical Study for the Period (1995-2004). Published on:

⁴ Zawagri Al-Taher *et al.* Research: Foreign Investment in Algerian Legislation, EL BAHITH for Academic Studies, Issue 3, September 2014, p. 168.

⁵ Zawagri Al-Taher *et al.* Research, *ibid*, p. 169.

⁶ Majdi Mahmoud Shahab, Foreign Direct Investment- Analytic Study on its Determinants in the Economic Environment of the GCC States. Paper published in Kuwait International Law School Journal, Year 4, Issue 14, June 2016, p.

lasting interest by a resident enterprise in one economy (direct investor) in an enterprise (direct investment enterprise) that is resident in an economy other than that of the direct investor. The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence on the management of the enterprise. The direct or indirect ownership of 10% or more of the voting power of an enterprise resident in one economy by an investor resident in another economy is evidence of such a relationship." Yet the United Nations Conference on Trade and Development Report (UNCTAD 2001) defined it as "an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate)."

Thus, the elements of foreign investments are based on three important bases; capital contribution, profit reinvestment and inter-company loans^[7]. It is noteworthy to indicate that the notion of direct foreign investment in the definitions above implies partial or absolute ownership by the foreign party of the investment enterprise, along with controlling the capacities of the enterprise, which together constitute the means to ensure generating profits as an anticipated goal of investments.

The foreign investor explores the extent of availability of economic potentials in the country hosting foreign direct investment^[8], such as the environment which would ensure the control and ownership thereof of the investment enterprise through legislations and security and administrative environment of the investment project^[9]. Foreign direct investment ensures exclusive management of the enterprise, as well as imposition of the control and directions thereof. It also enables the investor to select the form of the investment enterprise in order to generate considerable returns, transfer the profits abroad, and control the plans for production, operation and distribution as long as he completely owns the enterprise or a large share therein enabling him to take over and control the same. Thus, foreign direct investment is usually associated to multinational corporations due to the size of expenditure and the extensive technical and managerial expertise and cutting-edge technologies^[10]. On the other hand, foreign indirect investment is the purchase of securities (in form of foreign loans), the purchase of special governmental bonds or equity, which type of investment aims at a capital proceed^[11]. Investment in securities is general of a shorter term comparing to foreign direct investment^[12].

⁷ Hassan Bin Rafdan Al-Hajhouj, Trends and Determinants of Foreign Investments in GCC States, Conference on Investment and Financing held in Sharm El-Sheikh, Development of Arab Management for Attraction of Investment, Sharm El-Sheikh, 5-8 December 2004, p. 56.

⁸ Gray, Cheryl, Jarsoz, William, Law and the Regulation of Foreign Direct Investment: The Experience from Central and Eastern Europe, 33 Colum. J. Transnat'l L. p. 3 (1995).

⁹ Majdi Mahmoud Shahab, *ibid*, p. 24.

¹⁰ Anwar Munif Al-Anezi, Legal System of Foreign Direct Investment, a Study on the Kuwaiti Investment Law No. 8 of 2001, M.A. Dissertation, Faculty of Law, Middle East University, Jordan, 2012, p. 16.

¹¹ Hussein Mohammed Musleh, Legislative Development in Egypt and its Effect on Attraction of Investment, a paper published on: <http://law.tanta.edu.eg>.

¹² Abdul Salam Abu Qahaf, Internationalization Theories and Feasibility of Foreign Investments, Shabab Al-Jame'a Est., Alexandria, 2001, p. 13.

Investment Environment

I: Concept of Investment Environment:

The process of employment of funds in available investment opportunities based on the analytic study of such opportunity and selection of the best one. Availability of the investment opportunities depends on the economic situation in the country as economic circulation allows for many investment opportunities^[13], while there are no encouraging or attractive opportunities in case of economic depression; yet things are different in case of ordinary economy as investment opportunities in such a case are ordinary and in harmony with the economic condition. Thus, investment environment is that in which the requirements for investment are available allowing investors and businessmen the chance to invest their funds in countries other than the countries of their citizenship and in which no political or economic stability is found. Some jurists define it as "The set of laws, institutions, and economic, political, social and security conditions that affects the confidence of the investor and induce him to direct his investment to a certain country rather than another^[14]". Investment in other countries takes place based on financial studies of such opportunities conducted by specialists. The existence of investment-encouraging components, such as tax exemption, facilitation of entry and export of raw materials, and facilitation of their and their family residence, in addition to security, political and economic stability therein perhaps is what entices the investor to the investment environment of a certain country, the matter that positively reflects on the national economy thereof.

II: Factors of Investment Environment:

Both the United Arab Emirates and Jordan have an environment attractive of foreign investment and supportive of businesses, due to the security and stability they both enjoy at all levels, providing a suitable climate for exercising all kinds of investment activities^[15]. Flourish economic climates and population growth also allow for extensive opportunities for investment, especially by major companies that perceive UAE as an ideal environment for exercising their activities and busyness. At the same time, economic and free zones in both countries contributed to establishing their standing as a principal investment destination in the region, especially that activities within these zones are diverse, including investment, industrial, free trade, IT, education, media, knowledge, financial services, maritime transport services, renewable energy, environment and technology; i.e. they offer many investment opportunities that attract major companies in the region and worldwide.

In general, foreign direct investment depends on several factors:

According to a study conducted by the Arab Investment and Export Credit Guarantee Corporation on a sample of investors in Arab countries, factors on which investment attractive environment were classified on into five groups

¹³ Derhally, Massoud, Jordan Resilient as Moody's Lowers Outlook, S&P Cuts to Junk, Available at <http://www.businessweek.com/news/2011-02-08/jordan-resilient-as-moody-s-lowers-outlook-s-p-cuts-to-junk.html>

¹⁴ Marwan Al-Ibrahim, Foreign Investment in Jordan under the Provisional Investment Law No. 68 of 2003, Al-Yarmouk Research Journal, Issue (2), V. 23, June 2007, p. 402.

¹⁵ Kanaan, Taher & Kardoosh, Marwan, Law-Making for Trade Liberalization and Investment Promotion in Jordan, Central of Development Research, University of Bonn, P. 15 (2005).

[16].

Group One: Extent of political and economic stability, administrative bureaucracy, registration and licensing procedures, ambiguity and instability of investment law, inconsistency and deterioration of local currency rate of exchange, restrictions on transfer of profits and investment principal amount abroad, lack of productive qualifications to encourage investment.

Group Two: Extent of availability of an adequate investment climate, availability of foreign currency, procedures of dealing with authorities concerned with investment, extent of facilitation of travel and entry visas, availability of trained labor, number of entities taking care of the investor's interests, rate of return on investment, availability of a local partner from the host country.

Group Three: Extent of availability of infrastructure and components of production, availability of security stability, absence of double taxation and tax rates, rate of inflation, use of government authority and having investment maps in place [17].

Group Four: Material and moral support by the host country, size of the local market and availability of investment opportunities, share of the public sector in economic activities, banking systems and their development, administrative corruption (bribes and kickbacks), economic integration, and restrictions on capital movement.

Group Five: Extent of availability of information database, coordination in place between official departments concerned with investment, extent of execution of the obligations of the investment hosting country, developed financial market in place, extent of investment policy consistency, rates of interest on credit facilities and extent of having sufficient incentives for incoming investments.

It is evident, based on the foregoing, that the investment environment mainly depends on various conditions that can be classified into economic and financial environments, legal and legislative environments, political and social environments and administrative environments [18].

Based on such determinants, we can say that the abovementioned factors lead to ensuring the success of the host countries in creating a thriving investment environment attractive to foreign investments. Thus, to what extent the legislative system in both UAE and Jordan has these components in place and did both countries overcome the obstacles facing foreign direct investment?

This investment attractive environment and business supportive climate interpret the advance standing that UAE has at several Arab and international indicators relating to

measuring state ability to attract foreign investments [19].

As for Jordan, it paid a great deal of attention to investment as it introduced in 2000 a set of economic reforms in several areas aiming at attracting investments, creating job opportunities and integration in regional and world markets. These procedures included creation of government institutions specializing in investment promotion and support of export growth, in addition to the use of economic zones [20].

Based on the foregoing, the elements of investment environments can be summarizing as follows:

1. Political stability: Both the UAE and Jordan have a stable political climate at both regional and international level. This stability is one of the key elements encouraging the creation of a foreign investment attractive environment.
2. Investment legislative system in place: Both countries have regulated the investment by a developed legislative system, where the Federal Decree Law No. (19) of 2018 on Foreign Direct Investment. The decree law clarified that the aim thereof is to asserting the position of the State as a major attraction hub for foreign direct investment, both regionally and globally [21]. The Decree Law further granted several privileges to the foreign direct investment enterprise in Article 8 thereof, where Article 9 even added guarantees to the foreign investor. As for Jordan, a legislative set has been designated to investment which generally involved regulating investment through the Law No. (30) on Investment which provided for the scope of application of the law, incentives and privileges outside and within the development and free zones. The law further provided for several incentives to foreign investors, and even treated them as a Jordanian investor [22].
3. Providing job opportunities: The UAE Decree Law provided for many job opportunities as the decree did not exclude the foreign investment from any economic sectors or activities in the State in accordance with the resolutions of the Council of Ministers, as an exception to certain provisions of the Companies Law and other federal laws of the State [23], yet it excluded certain vital

¹⁶ Falah Khalaf Al-Rubai'e, his Article "Means of Improvement of Investment Climate in Iraq," 23/03/2008, Issue 2229, published on Civilized Dialogue website: m.ahewar.org, accessed on: 22/02/2019; see also Mohammed Ismail and Jamal Hassan Qassem, Determinants of Foreign Direct Investment in Arab Countries, Research published under the Arab Monetary Fund Series, June 2017, p. 20 and sub. accessed on 02/03/2019, publish on: <https://www.amf.org.ae/sites/default/files/Determinants%20of%20foreign%20direct%20investment1.pdf>

¹⁷ Bajpai, Nirupam, Dasgupta, Nandita, What Constitutes Foreign Direct Investment? Comparison of India and China, CGSD Working Paper No. 1, The Earth Institute at Columbia University Publications, P. 8 (2004).

¹⁸ Mowafaq Ahmed, Hala Sami Khudeir, Foreign Investment and its Effect on the Economic Environment, An Evaluative Overview of the Iraqi Investment Law, Iraqi Management and Economy Journal, Issue 80, 2010, p. 147.

¹⁹ The 9th Annual Investment Report issued by the Union of Arab Chambers indicates that the UAE had 26.2% of the total foreign direct investments into the Arab countries in 2017, the total of which was around 39.6 billion Dollars, of which UAE's share was around 10.4 billion Dirhams, achieving a positive growth in attracting foreign investment exceeding 8% in 2017. The report expected that the UAE is to record a significant increase in foreign investment during the current and next years, supported by the new incentives and facilities recently announced by the governments, allowing for full ownership by international investors.

²⁰ Jordan Investment Commission was established in May 2014 under Article 21 of the Investment Law No. (30) of 2014 as part of the efforts of the Government of Jordan to attract, encourage and promote local and foreign investment, ensure sustainable attracting investment climate, activate economic movement, promote confidence in the investment environment, and simply and unify key governmental investment institutions. The new commission, which is the successor of the three former institutions: Directorate of Export Promotion of Jordan Enterprise Development Corporation JEDCO, Free and Development Zone Corporation, and Jordan Investment Board. Jordan Investment Commission has the powers and components for achieving investment gains, in addition to the necessary flexibility to respond to changes and emerging patterns in the international and local investment environment. As for the UAE, the Federal Decree Law No. (19) of 2018 provided for creating the foreign direct investment unit in article two thereof.

²¹ Article 2/1 of the Decree Law.

²² Article 10/b of the Law.

²³ Article 7/ 1 of the Decree Law.

- facilities which are exclusively run by the State ^[24].
4. Non expropriation of the investment enterprises by means of nationalization or sequestration: Article 9/1 of the UAE Decree Law provided for the same as it states "A Foreign Direct Investment Enterprise may not be expropriated in whole or part except for public interest and in exchange for fair compensation calculated at time of expropriation. Additionally, the right to benefit from the real estate allocated to the Foreign Direct Investment Enterprise may not be cancelled, suspended or restricted, and the funds of the Foreign Direct Investment enterprise may not be seized, confiscated, frozen or restricted by but a court order ^[25]. As for the Jordanian Law, such guarantees are referred to in Article 42 which provided for "The ownership of any Economic Activity may not be removed or be subjected to any procedures that would result in the same, unless it is expropriated for the public benefit, on the condition that fair compensation is to be paid to the investor, in a an exchangeable currency without a delay."
 5. Tax exemptions and duties: The UAE Government does not levy taxes on companies except for those oil companies and offshore bank branches. The Free Zones provides supports to businesses by compliance with elaborated laws relating to ownership, taxes and labor. There are Free Zones in Abu Dhabi, Dubai, Sharjah, Ajman, Um El-Qweien, Ras Al-Khaima and Al-Fujairah which provide to investors several privileges such as: 100% full ownership of the enterprise without the need for having a local partner in addition to the possibility of capital and profit transfer at 100% without having a minimum limit for capital investment nor taxes on corporate or personal income ^[26]. In accordance with Article 14/a, b, c, d of the Jordanian Investment Law, the registered enterprise that exercises an economic activity in the free zone is exempted from the income tax generated from export of goods service outside the Kingdom, transit trade, or sale or assignment of goods. The registered enterprise exercising an economic activity in the free zone shall also benefit from, following the provision and supply of services within the free zone, exemption from income tax on non-Jordanian employee's salaries and allowances, who are working on projects in the Free Zone, in addition to exemptions from custom duties, and all other taxes and charges upon goods exported from the Free Zone to places other than the local market and goods imported to the Free Zone including materials, equipment, machinery, supplies, construction materials that are part of constructing, erection, preparing and furnishing of all types of projects set up by such and enterprise in the Free Zone, as well as the spare parts required for its ongoing maintenance. The exemption shall not include consideration for services. There is an exemption to buildings and structures constructed within the Free Zone from licensing fees, building tax, property tax, and improvement, zoning and paving levies. However, Article 8/i/4 of the new Tax Law No. 38 of 2018 levies an income tax on the enterprises registered within the free zones which

practice an industrial activity or any other activity such as sale, transfer or import of goods and services within the boundaries of such zones at the tax rate specified by the economic activity or person, where it stipulates in Clause a of same article for a tax deduction at a tax rate 5-30% on the income of a natural person and 20-35% on the income of a legal person ^[27]. There is no doubt that such a tax is a key obstacle facing the foreign investor. Inclusion of the workers of the free zone enterprises under the social security system adds another burden on the investors, especially that he is as the owner of an entity is bound to pay a large percentage of subscription to the social security of the worker while the employee pays a lower percentage of subscription from the salary thereof on a monthly basis ^[28], which creates a huge burden on the foreign investor.

Accordingly, it is evident that both the United Arab Emirates and Jordan have each created a fertile environment for investment through exemptions and facilities that they have adopted. We can say that both countries are attempting to attract foreign investments by building a developed legislative system. Have such incentives and system succeeded in attracting the foreign investor? This is what the present paper will answer in Topic Two of the study.

Investment Incentives Attracting Foreign Direct Investment in UAE and Jordanian Laws

Investment- attracting incentives through the legislative system play an important role in attracting foreign direct investment, through which the investor accepts to freely and unrestrictedly invest his funds, in addition to the other factors that an investor takes into consideration, such as the political stability of the host country, the rate of return on investment, and other factors. It is necessary to point out that there is no uniform definition of the concept of incentives that could encompass all kinds of assistance to investors, whether economic, social or political ^[29], while the same can also be of a narrow scope that includes only one area of assistance ^[30].

In this theme, we will explore these incentives within the scope of laws and regulations in both the United Arab Emirates and Jordan as developing countries striving at taking in a considerable share of foreign investments, and the extent of effectiveness of such legislations in creating an attractive investment environment by dividing this topic into two themes, the first of which addresses the investment

²⁷ Article 14/a, b, c, and d of the Jordanian Investment Law.

²⁸ On 01/01/2017, the total monthly subscriptions payable by the employers in the private sector and their workers became at the rate of (21.75%) of the worker wage, where the employer pays (14.25%) and the insured pays (7.5%), inclusive of old age, disability and death insurance, occupational injury insurance, maternity insurance, and unemployment insurance. See official website of the Social Security Corporation at: <https://www.ssc.gov.jo>, accessed on 15/05/2019

²⁹ Bajpai, Nirupam, Dasgupta, Nandita, What Constitutes Foreign Direct Investment? Comparison of India and China, CGSD Working Paper No. 1, The Earth Institute at Columbia University Publications, P. 7 (2004).

³⁰ The United Nations Conference on Trade and Development (UNCTAD) defines investment incentive as "any measurable advantage accorded to specific enterprises or categories of enterprises by (or at the direction of) a Government, in order to encourage them to behave in a certain manner". Sawalem Salahuddin and Tarrad Khoujah Hisham, General Principles and Rules Relating to Incentives Accorded to Foreign Direct Investment, Paper presented to the Conference on Foreign Direct Investment and Development in the Arab World, 17/01/2015, p. 10.

²⁴ Article 7/2 of the Decree Law.

²⁵ Article 9/2-3 of the Decree Law.

²⁶ Official E- Portal of the Government of Dubai: <https://government.ae/ar-ae/information-and-services/finance-and-investment/taxation/other-taxes>

incentives in the UAE law (Theme One) while the second addresses the investment incentives in the Jordanian law (Theme Two).

Investment Incentives in the United Arab Emirates Concerning Foreign Direct Investment

The Decree Law on Foreign Investment reflects the point of view of the UAE legislator and the investment policy of the State that are particularly related to the principles of attracting foreign investment into the country. The most important points included in the new law are as follows:

1. The UAE legislator assigned the task of drawing up the investment policy to a unit called "Foreign Investment Unit" to be created by the Ministry of Economy, the objectives of which is, as set out in Article 5 are: proposing foreign direct investment policies in the State, determining the priorities, plans and related programmes, and work on implementing them upon submittal thereof to the Committee and approval by the Council of Ministers; establishing a comprehensive database of investment data and information in the State, including data on existing Foreign Direct Investment Projects and periodically updating such database, where the Competent Authorities shall provide the Investment Unit with data on licensed investment projects in accordance with the provisions of this Decree Law; creating an attractive environment for foreign direct investment and working on consolidating and facilitating the procedures for registering and licensing Foreign Direct Investment Projects; and monitoring, following-up and evaluating the performance of foreign direct investments in the State. Since the State is a country consisting of several emirates, the law provided for forming a committee called "Foreign Investment Committee" by resolution of the Council of Ministers. It shall be chaired by the Minister and include representatives of some of the competent authorities and bodies of the State. The resolution on forming the Committee shall specify the duration of membership and its mechanism of operation. The mandate of this committee involves considering the licensing to investment project and making recommendations to the Council of Ministers upon coordination with the local governments, concerned bodies and the Competent Authority as to certain matters, such as : The list which includes the economic sectors and activities, and their sub-sectors, which are permitted to be carried out through a Foreign Direct Investment Project in the State; adding certain sectors and activities to the list of activities in which a foreign investor is prohibited by law to be practice, which we will refer to hereunder. This means that the committee has a discretionary power to select the suitable sector. Moreover, the committee shall have the power to consider granting privileges to foreign direct investment projects in the State ^[31]. However, the committee shall consider whether the investment projects achieves integration with strategic plans of the State, achieves a better return and added value to the national economy, raises the level of innovation therein, and creating job and training opportunities for the national staffs. As a condition, the project must not

have an effect on national companies engaged in an activity similar to that of the investment project, and the foreign investor must have of competence, expertise and international goodwill. Furthermore, the committee shall consider whether investment project uses top modern technologies and achieves positive impacts on the environment. The Committee may seek the assistance of experts for the purpose of assisting it in its work ^[32].

2. Simplifying the procedures for licensing the foreign investment project, where the foreign investor, in accordance with the provisions of Article 10/b, applies for approval on licensing to the competent authority (the body concerned with investment in each emirate). Upon procuring the initial approval, the competent authorities shall, in accordance with Article 10/c, issue its approval within a maximum period of five (5) business days of the date of the submittal of the application, where the legislator considered simplifying and facilitating the procedures and the decision making process in such a period. Moreover, in accordance with the provisions of Article 10/2/b, the UAE legislator did not prevent the investor from applying for an investment project that is not included in the positive list that defines the sectors available to the foreign investor, as it permitted, upon proposing the project to the licensing authorities and submitting the same to the competent committee for making a recommendation, and upon consultation with the local government in the concerned emirate, to have the recommendation of approval on licensing submitted to the minister, after which the applying investor shall be notified of the approval within 5 five days b the competent authority. Thus, making a decision on approval on the project does not require a long time. Furthermore, the UAE legislator made a unique provision on the possibility of submitting a grievance in case of disapproving the project in the preceding case or upon expiry of the specified term without a response, where the investor may submit his grievance or that on which no decision has been taken yet to the court within (30) days as of the date of the date of notification of the disapproval or the expiry of the term, after which the decision shall be deemed conclusive. It is noted that the investor has the right to appeal the decision on disproval similar to that established for the citizen, for which credit should be given to the UAE legislator.
3. The UAE legislator provided for other privileges to be accorded to the foreign direct investment project in Article 8/1 which provides for that the foreign investment companies licensed pursuant to the provisions of this decree law shall be treated as national companies to the extent permitted by the legislation in effect and international agreements.
4. The Decree Law allowed for the possibility of transferring the outside the State the returns of a foreign direct investment project, such as the annual net profit, the proceeds of the liquidation of the investment, and the proceeds generated as a result of settlement of disputes relating to the project. It also allowed the employees of the project to transfer their salaries, compensations and entitlements outside the State, in

³¹ Article 6/1/2 of the Federal Decree Law.

³² Article 6/1/3 of the Federal Decree Law.

- accordance with the provisions of laws in effect ^[33].
5. The Decree Law accorded other privileges to foreign investment companies in terms of confidentiality of technical, economic, financial and investment information provided to the Competent Authority or the Licensing Authority in accordance with the provisions thereof, in a manner that is not inconsistent with the State's legislation and the international agreements to which the State is a party.
 6. Within the framework of allowing the investor economic liberty, the Decree Law permitted a foreign investment company, after obtaining the approval of the Licensing Authority in writing, to add a partner or partners, transfer of ownership of the foreign investment company to a new investor, amend the memorandum of association or articles of association, and make merger or acquisition. The UAE further stipulates for allowing the foreign investor to enjoy the incentives granted to the project as long as the project continued the activity thereof.
 7. The Decree Law granted the foreign investor several guarantees, namely those related to non- expropriation of the project as it did not allow for the same, in whole or in part, except for a public interest and in return for a fair compensation. Furthermore, it prevent the cancellation, suspension or restriction of the usufruct rights of the real estates allocated to the foreign direct investment project, but in case of violation of the terms of the license, where the decision on canceling, suspending or restricting such usufruct rights of the real estates is to be issued by the Competent Authority. It also granted the right to appeal such decision within 30 days as of the date of serving the decision. Moreover, the Decree Law gave a guarantee under which the funds of the project may not be seized, confiscated, frozen or withheld or kept under receivership but by a judicial order in accordance with the provisions of the law ^[34].
 8. Facilitation of residence : The Council of Ministers of the United Arab Emirates issued a resolution in which Article Four thereof provided for the conditions and restrictions of the residence permit for the investor and stated that it is required to grant a residence permit to the investor in public investments if one of the following conditions was met :
 - (1):
 - a. To have a deposit of not less than 10 million Dirhams in an investment fund within the State; or
 - b. To incorporate a company in the State with a capital of not less than 10 million Dirhams, or be a partner in an existing or new company with a financial share of not less than 10 million Dirhams; or
 - c. To have investments in the State with a total value of not less than 10 million Dirhams (not less than 60% of the total investment in non-real estate).
 9. To grant a residence permit to an investor in a property, the investment in one or more real estate shall be at a total value of the real estate asset not less than 5 million Dirhams.

In addition to these conditions, the following conditions must be met : (a) That the object of investment is to be

³³ Article 8/2/a, b, c and Article 8/3 of the Federal Decree Law.

³⁴ Article 9 of the Federal Decree Law.

wholly owned by the investor and not a loan, and to provide proof thereon; (b) to remain in possession of the investment for at least 3 years from the date of issuance of the residence permit; (c) The financial liability of the investor is not burdened with civil claims or judgments that diminish the financial solvency thereof which shall not be less than 10 million Dirhams; and (d) Provide a comprehensive health insurance document for him and his family members throughout his stay in the State.

The duration of the residence permit for the investor in public investments is 10 years and for the investor in the property 5 years automatically renewed on the condition of payment of the prescribed fees and meeting the requirements determined by the Federal Authority for Identity and Nationality. The investor may obtain a visa for no more than 3 help workers by family size in accordance with the legislations regulating the same, while the foreign investor from outside the State shall be granted an multi-entry permit for a period of 6 months renewable for a further period of six months to facilitate the completion of the procedures of establishing his project in accordance with the applicable conditions and regulations of the Federal Authority for Identity and Nationality for issuing entry permits.

Article Five of the Resolution provided for the conditions and regulations for issuing a residence permit for the senior employees of the investor and indicated that the investor who establishes a company in the State may apply with the Federal Authority for Identity and Nationality for issuing a residence permit for one of the senior employees of the company who occupies the position of chief executive officer or consultant and the members of their families for a period of 10 years and without the need for a sponsor within the State upon meeting the following conditions : (a) To commit to work for the foreign investor's facility throughout the validity of the residence permit; (b) To submit a comprehensive health insurance document for him and his family members throughout his stay in the State, «Obtaining the approval of the competent committee" ^[35].

10. The Federal Decree Law granted a privilege with respect to settlement of disputes and differences that may arise from the foreign direct investment project by all alternative means of settlement of disputes, including arbitration, in order not to render interrupt the work of the project and rapidly resolve the dispute, in addition to considering such cases as summary upon hearing them by courts of competent jurisdiction ^[36].

Based on the foregoing, we can conclude that the United Arab Emirates, with its new law and resolution on facilitation of residences of foreign investors has made a time leap with respect to competitiveness and investment attraction thereto, which reflects the extent of increase in foreign investment inflows ^[37].

³⁵ Resolution of the Council of Ministers No. (56) of 2018, publish in Alitihad Newspaper of UAE, Issue 24, November 2018, access date: 16/02/2019, <https://www.alitihad.ae/article/76437/2018>.

³⁶ Article 12/1/ 2 of the Federal Decree Law.

³⁷ It should be noted that the United Arab Emirates ranked 21 at international level in 2017 as the total foreign direct investment flow from it was in the amount of 14 billion Dollars in 2017, and ranked second at 40% after Turkey, which ranked first at 42% of the total foreign investment to West Asia, as it controlled more than one quarter of the total amount, followed by Lebanon which ranked third at 10% in 2017. Moreover, it ranked first at the level of West Asia Region at 41.9% of the total foreign

Investment Incentives in the Jordanian Investment Law No. (30) of 2014, Regulations and Government Resolutions

Successive Jordanian governments have also paid special attention to foreign direct investment, and the Jordanian legislator has dealt with foreign investment based on international facts. The legislations regulating investment in various countries compete with each other in granting privileges and providing guarantees to investors to ensure obtaining the highest number of investors^[38].

As we have already indicated within the context of the legislative system in Jordan, this system has undergone several amendments where new law were enacted. Moreover, the Jordanian leadership has paid a special attention to foreign investment by issuing several sound decisions aiming at attracting the foreign investor to the country^[39], as it is one of the countries that acceded to the World Trade Organization resulting in certain consideration dictating the State to become open to foreign investments^[40]. Furthermore, Jordan aims at realizing economic reform under the difficult conditions that the Arab Region undergoes, such as unemployment and high population growth rates, in addition to Jordan's intent to keep up with the technological and technical development, and encourage the private sector by including it in bearing governmental burdens^[41], along with Jordan's keenness to keep up with the world economic conditions under the globalization that calls for equality between the foreign investment and national investment at granting incentives, as well as stressing that the foreign direct investment works on increasing the competition between the Jordanian companies and firms and the foreign ones, and the benefits of such competition which are represented in decreasing monopoly and motivating companies to improve the quality of products and services^[42].

We will examine the incentives and guarantees granted by law to the foreign investor, with reference to the recent resolutions of the Government of Jordan that reflect Jordan's interest in foreign investment.

1. The Jordanian legislator equally treated the foreign and the national investment as he described the investor in its definition in Article 1 as "The natural or legal person exercising an economic activity in the Kingdom in accordance with this Law," which is logical for granting privileges and incentives to both alike. However, the legislator specified in Article 4 of the Regulation on Organizing Non- Jordanian Investments No. 77 of 2016 the sectors in which the foreign investor is eligible to invest, while listed in Article 3 of the same Regulation the sectors in which the foreign investor may not invest in Articles 4, 5, 6,

which are considered from the viewpoint of the Jordanian legislator vital sectors, some of which are related to matters that the legislator prohibited trading or dealing in by foreigners as provided for in Article 6 of the Regulation on Organizing Non-Jordanian Investments of 2016 which activities, in whole or in part, are restricted to Jordanians only^[43], in addition to the handicrafts and craftworks that are restricted activities for non-Jordanian determined by Instructions No. (9) of 2016 "Handicrafts and Craftworks Which Non-Jordanians are not Permitted to Practice"^[44].

2. The Law mandates the Council of Ministers to issue special schedules on the production inputs exempted from customs duties if purchased or imported from the local market, and even imposed on the Tax Department an interest at 9% if it failed to refund with 30 days as of the date of submitting the application^[45]. It further exempted the production supplies and fixed assets of dual use from customs duties, where the tax rate thereon shall be decreased in case of purchasing the same from the local market. It also engaged the Council of Ministers with the mandate to create a third schedule under which the taxable services in accordance with the Tax Law are to be exempted in case of locally importing or purchasing them^[46]. In Schedule Four, it listed certain commodities necessary for economic activities which are exempted for customs duties and tax in case of importing or purchasing the same from the local market^[47]. Based on these provisions, it is evident that the legislator encourages the investor to deal with the local market due to the benefit thereof to the Jordanian economy.
3. The law encouraged the foreign, created an integrated investment environment thereto, and treated him as a Jordanian investor when granting him the right to invest within the Kingdom without any restriction to the capital, acquisition of, or participation or shareholding in any economic, industrial or other project^[48].

direct investment originating from the West Asia countries. See Report of foreign Trade Sector, Department of Investment, Ministry of Economy of UAE referred to on p. 7.

³⁸ Marwan Al-Ibrahim, *ibid*, p. 402.

³⁹ Kanaan, Taher & Kardoosh, Marwan, *Law-Making for Trade Liberalization and Investment Promotion in Jordan*, Central of Development Research, University of Bonn, P. 13 (2005).

⁴⁰ Derhally, Massoud, *Jordan Resilient as Moody's Lowers Outlook, S&P Cuts to Junk*, Available at <http://www.businessweek.com/news/2011-02-08/jordan-resilient-asmoody-s-lowers-outlook-s-p-cuts-to-junk.html>

⁴¹ Marwan Al-Ibrahim, *ibid*, p. 405.

⁴² Karim Abis Al-Azzawi, *Role of Foreign Direct Investment in the Economy of Iraq*, paper published in the *Economic Studies Journal of the Faculty of Management and Economy, Babel University*, V. 7th, Ed. 3rd, p. 148.

⁴³ Article 6/a which provides for: "A non-Jordanian investor cannot own or participate, in whole or in part any project in any of the following economic activities: 1) Quarrying, sawing of stone, building sand, rubble, dimension stone and aggregate used in construction, 2) Investigation and security services. 3) Private security and protection services, and training thereof, 4) Clearance services, subject to paragraph (d) of Article 4 of this Regulation, 5) Trading, maintenance and importation of firearms and ammunitions, 6) Private shooting activities, 7) Trading, importation and use of fireworks, 8) Bakeries of all types.

⁴⁴ The Instructions include 13 professions as follows: barbershops; national upholstery workshops, sweats, pastries and ice cream for direct sale; carpentry, smithery, aluminum works, turnery, embroidery, and traditional dressmaking; goldsmithery, trinketry and jewelry; potable water purification, desalination and packing for direct sale; national manufactured goods, pottery and earthenware; clothes dry cleaning service; pickle workshops; plastic grinder, not including recycling; and clothes workshop, unless the number of workers for the project does not exceed 10. The workers must be organized, and determined by the Instruction by three months as of the date of the application. The application means any application that may be submitted to the Investment Commission for benefiting from the investment privileges and incentives."

⁴⁵ Article 4/1 of the Investment Law.

⁴⁶ Articles 4/2/3 of the Investment Law.

⁴⁷ Article 4/4 of the Investment Law.

⁴⁸ Article 30/c of the Investment Law provided for: "Notwithstanding the provisions of this Law or any other legislation, restrictions regarding the

4. Facilitation of the residence of foreign investor : The Investment Law, in Article 31/a thereof, stressed on facilitating the residence of a foreign investors, his family members and those working in management of the project established therein in accordance with a regulation to be issued for this purpose, in addition to flexibility in granting entry visas to foreign investors and workers, and residence permits to businessmen.
5. Making a special rule for motivating Jordanian expatriates to invest and establish businesses in Jordan, so that the non-Jordanian company incorporated and registered abroad in which Jordanians hold at least (50%) of the share capital thereof may register a Jordanian company in the Kingdom to own any project in an economic activity, in whole or in part, or participate therein at any rate, unless the relevant legislations make a restriction on ownership in such an economic activity^[49].
6. The foreign investor has the absolute right to run the project thereof as he deems appropriate using the people that he selects for management. Furthermore, the technical and administrative employees of any project may transfer their wages and remunerations outside the Kingdom^[50].
7. The legislator granted the foreign investor the freedom to transfer all or part of the investment capital and the profits outside the Kingdom in an exchangeable currency^[51].
8. The Jordanian legislator provided a guarantee not to expropriate any project or subject it to any procedures resulting in the same but if the expropriation was for the public interest, provided that to pay with a delay a fair compensation to the investor in an exchangeable currency^[52].
9. In order to rapidly settle disputes, the legislator provided, in Article 43 of the Investment Law, for amicable settlement of disputes arising from the investment project with government bodies within a period not exceeding six months. In case of failure to resolve the dispute, both parties to the dispute have the right to refer to the Jordanian Courts, to settle the dispute in accordance with the Jordanian Arbitration Law, or refer to alternative means of dispute resolution, such as referring to the International Center for Settlement of Investment Disputes, as Jordan is a member party to the agreement since 1972^[53].
10. Granting Jordanian citizenship to the foreign investor : in order to promote foreign investment and with a view to motivate the investors with existing investments, the Government of Jordan decided, represented by the Council of Ministers, to amend the principles for granting citizenship to investors at

its session held on November 12th 2018, by which the Jordanian citizenship is granted to the investor in specific cases set out in the resolution^[54].

Conclusion

In the present paper, we have explored the concept of foreign direct investment and the meaning of investment - attracting environment and elements thereof. The papers also addressed the role of investment incentives in attracting the foreign investors by reviewing the opinions of jurists and legal texts in the UAE Decree Law No. (19) of 2018 on Foreign Direct Investment and the Jordanian Investment Law No. (30) of 2014, and the regulations and decisions that regulated the foreign direct investment as well as the incentives and guarantees provided for by both laws. The paper concluded to several finding that we summarize as follows:

1. There are several definitions of the foreign direct investment, whether by jurisprudence or legislations on investment, most of which involve one concept that the foreign direct investment is based on the notion of partial or absolute ownership by the foreign party of the investment project coupled with control over the capacities of the project, which means ensure realizing profits as a goal anticipated from investments. Foreign direct investment is defined as:

⁵⁴ Published on the website of the Jordanian Council of Ministers: <https://jordan.gov.jo>, accessed on: 10/01/2019, under which the investor is granted the Jordanian nationality in any of the following:

Deposit a monetary amount of (1,500,000.00 \$) one million five hundred thousand US Dollars with the Central Bank of Jordan without interest for five years and purchase treasury bonds worth at least (1,500,000.00 \$) one million five hundred thousand US Dollars for ten years with an interest determined by the Central Bank of Jordan. Other cases resolved by the Council include purchase of shares in Jordanian corporations in an amount not less than one million five hundred thousand US Dollars and investment in small and medium capital companies in the amount of one million US Dollars, provided that not to dispose of the shares for a minimum period of three years, where the Securities Depository Center shall affix an attachment annotation thereon. The third conditions is establishment and registration of an investment project in any of the productive economic sectors with a paid-up capital of not less than two million US Dollars within the boundaries of the Governorate of the Capital, or not less than one million and five hundred thousand US Dollars outside the Governorate of the Capital, provided that at least 20 real and legitimate job opportunities for Jordanians must be created and registered for with the Social Security Corporation, where a three year temporary Jordanian passport shall be granted under which he shall be treated as a Jordanian, except for the political rights, provided that to grant him the Jordanian citizenship upon the lapse of at least three years as of the actual operation of the project. Another condition for granting citizenship is to grant the investor a five year residence irrespective of the previous residence thereof in Jordan at purchasing a real estate or more at a total value not less than 200 two hundred thousand Dinars as assessed by the Department of Lands and Survey, and maintaining the same for at least five years without disposal or mortgage. Under the conditions, "

Jordanian permanent residence or citizenship, as the case may be, shall be granted to the investor's wife, his single daughters, dependent widows and divorcees, and offsprings under the age of 18, and his dependent parents."

The Council indicated that those principles apply to 500 investors on an annual basis upon completing security clearance and verifying the financial solvency thereof before processing according to the priorities of applying for Jordanian citizenship or five year residence. In case of violation of any of the conditions, the Council indicated that the Jordanian citizenship shall be withdrawn or the five year residence shall be cancelled, as the case may be. Citizenship is granted to investors with existing investments so that the owner of the project or partners therein shall be granted Jordanian citizenship as follows: for an investment existing within the Governorate of the Capital, if the value of fixed assets or share thereof in the project based on certified annual balance sheets for the last three years was not less than two million Dollar per partner, along with providing 20 job opportunities to Jordanians, based on the statements of the Social Security.

percentage of foreign capital shall not apply to the Free or Development Zones.

⁴⁹ A paper on the Legislative and Institutional Framework Regulating Investment in Jordan, prepared by the American- Jordan Free Trade Agreement Unit, p. 16, published on: <http://amcham.jo/wp-content/uploads/2018/12>, accessed on: 08/03/2019

⁵⁰ Article 41/b/4 of the Investment Law.

⁵¹ Article 41/b of the Investment Law.

⁵² Article 42 of the Investment Law.

⁵³ A paper on the Legislative and Institutional Framework Regulating Investment in Jordan, *ibid*, p. 17.

"an investment made by a natural or legal person in one country in another country, whether by full partial acquisition of the project share with a view to realize profits."

2. The paper established that the foreign direct investment can achieve great benefits to companies and economic enterprises in both countries, such as creating new markets for exporting products, and economic relations with other countries of multi-activity economy, in addition to realizing the transfer of process and technology to the host country which result in a development in the world of technology in its favor, along with transferring of expertise to local projects, and benefiting from promoting raw materials produced by the host countries, reviving the national economy, and recruiting national labor hands through investment projects, subsequently reducing the rate of unemployment, a blight that most countries of the world suffer, especially the developing countries.
3. Factors on which investment attracting environment is based are classified into important elements that can be summarized as follows: Extent of political and economic stability, administrative bureaucracy, registration and licensing procedures, extent of clarity, extent of stability of the investment laws, extent stability and deterioration of local currency rate of exchange, restrictions on transfer of profits and investment principal amount abroad, and extent of availability of productive qualifications to encourage investment; extent of availability of an adequate investment climate, availability of foreign currency, procedures of dealing with authorities concerned with investment, extent of facilitation of travel and entry visas, availability of trained labor hands, rate of return on investment, and availability of a local partner from the host country; extent of availability of information database, coordination in place between official departments concerned with investment, extent of availability of infrastructure and components of production, availability of security stability, absence of double taxation and tax rates, rate of inflation, and rates of interest on credit facilities and extent of having sufficient incentives for incoming investments.

Also, we can say that The investment environment means the process of employment of funds in available investment opportunities based on analytic study of such opportunities and selecting the best. Within the scope of incentives determined by the UAE legislator, the task of drawing up the investment policy is assigned to a unit called "Foreign Direct Investment Unit" to be created by the Ministry of Economy, in addition to making recommendations as to approving the licensing of the project, which is a positive procedure, where the investment is to deal with a single body only for the purpose of licensing. The UAE Government does not levy taxes on companies except for those oil companies and offshore bank branches. The Free Zones provides supports to businesses by compliance with elaborated laws relating to ownership, taxes and labor. On the other hand, the Jordanian legislator exempted the foreign investor from taxes within the free zones while levied the same on foreign investments outside such zones.

4. The UAE law simplified the procedures of licensing

a foreign investment project, and did not prevent the investor from applying for the investment project that is not included on the positive list which defines the sectors available to the foreign investor; and it further treated the foreign investment companies similarly to the treatment accorded to the national companies within the limits permitted by the effective legislations and international agreements, while the Jordanian legislator treats the foreign investor and the Jordanian investor on an equal footing in terms of incentives, privileges and guarantees. Also Both UAE and Jordanian legislators granted the right to referring to arbitration and alternative means for settlement of disputes arising from the investment project and giving them summary capacity at litigation in order to rapidly resolve the disputes without a delay

5. The UAE legislator granted the foreign investor several guarantees, namely those related to non-expropriation of the project as it did not allow for the same, in whole or in part, except for a public interest and in return for a fair compensation, in addition to guaranteeing the confidentiality of technical, economic, financial and investment information and investment initiatives of the investment project, where a similar provision is found in Article 42 of the Jordanian Investment Law. Also The UAE legislator granted the foreign investor the right to transfer the returns of a foreign direct investment project, such as the annual net profit, the proceeds of the liquidation of the investment, and the proceeds generated as a result of settlement of disputes relating to the project. It also allowed the employees of the project to transfer their salaries, compensations and entitlements outside the State, in accordance with the provisions of laws in effect; while the Jordanian legislator made a similar provision yet included the freedom to transfer all or part of the investment capital and the profits outside the Kingdom in an exchangeable currency.
6. As for facilitating the residence of the investor and his family members, the Council of Ministers of the United Arab Emirates issued a resolution in which Article Four stated conditions and guidelines for the residence permit of the investors, and indicated that certain conditions are to be met in order to grant a residence permit to the investor in general investments, which are determined in depositing certain amounts with investment windows or incorporating companies with a certain amount of capital, along with other conditions of benefit to the State. On the other hand, the Jordanian legislator stressed on facilitating the residence of the foreign investor, his family members and employees, and was flexible in granting entry visas to foreign investors and workers, and even allowed naturalization of investors in case of meeting certain conditions stipulating the deposit of monetary amounts to be frozen for a specific period of time in addition to other conditions to attract foreign investors.

Recommendations

Based on the above findings, we can argue that both UAE

and Jordanian legislators have granted several incentives to attract the foreign investor, yet we can make the following recommendations:

1. In spite of granting financial facilities and tax exemptions, yet the foreign investment in the United Arab Emirates is still in need for other incentives such as: providing for treating the foreign investor and the national investor on an equal footing as provided for in the Jordanian Investment Law, since such a privilege gives confidence and credit to the investor.
2. I propose to the Jordanian legislator to consolidate all legislations and regulations relating to investment in one law, and further propose designating a separate law for foreign investment, in addition to amending the provisions of Article 41/b/4 of the Investment Law which provides for the right of the investor to run the project thereof as he deems appropriate using the people of his choice, where the competent authorities shall provide necessary facilities for this purpose, by adding "provided that not to cause damages to the economic institutions." Also We call the Jordanian legislator for reconsidering Article 8/I of the Income Tax Law No. (38) of 2018 which subjected the incomes of natural and legal person to the tax.
3. We call the Jordanian legislator for excluding the free zones from the Social Security umbrella and looking for other guarantees specific to the investor which constitute guarantees to the employee such as the remunerations paid at the end of service.
4. It is necessary to provide for having a special office to process all transactions of the investor and avoid the routine which may prolong the transactions through referrals to competent institutions and providing developed service infrastructure that encourages the foreign investor to stay.

To issue a bulletin on tax exemptions in several languages to be distributed to the investors intending to invest in both countries, and to make promotions and advertisements, especially by participation in Arab and international investment conferences.

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- allowing for full ownership by international investors.
20. Jordan Investment Commission was established in May 2014 under Article 21 of the Investment Law No. (30) of 2014 as part of the efforts of the Government of Jordan to attract, encourage and promote local and foreign investment, ensure sustainable attracting investment climate, activate economic movement, promote confidence in the investment environment, and simply and unify key governmental investment institutions. The new commission, which is the successor of the three former institutions: Directorate of Export Promotion of Jordan Enterprise Development Corporation JEDCO, Free and Development Zone Corporation, and Jordan Investment Board. Jordan Investment Commission has the powers and components for achieving investment gains, in addition to the necessary flexibility to respond to changes and emerging patterns in the international and local investment environment. As for the UAE, the Federal Decree Law No. (19) of 2018 provided for creating the foreign direct investment unit in article two thereof.
 21. Article 2/1 of the Decree Law.
 22. Article 10/b of the Law.
 23. Article 7/ 1 of the Decree Law.
 24. Article 7/2 of the Decree Law.
 25. Article 9/2-3 of the Decree Law.
 26. Official E- Portal of the Government of Dubai: <https://government.ae/ar-ae/information-and-services/finance-and-investment/taxation/other-taxes>
 27. Article 14/a, b, c, and d of the Jordanian Investment Law.
 28. On 01/01/2017, the total monthly subscriptions payable by the employers in the private sector and their workers became at the rate of (21.75%) of the worker wage, where the employer pays (14.25%) and the ensured pays (7.5%), inclusive of old age, disability and death insurance, occupational injury insurance, maternity insurance, and unemployment insurance. See official website of the Social Security Corporation at: <https://www.ssc.gov.jo>, accessed on 15/05/2019
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 45. Article 4/1 of the Investment Law.
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 56. Another condition for granting citizenship is to grant the investor a five year residence irrespective of the previous residence thereof in Jordan at purchasing a real estate or more at a total value not less than 200 two hundred thousand Dinars as assessed by the Department of Lands and Survey, and maintaining the same for at least five years without disposal or mortgage. Under the conditions, "
 57. Jordanian permanent residence or citizenship, as the case may be, shall be granted to the investor's wife, his single daughters, dependent widows and divorcees, and offsprings under the age of 18, and his dependent parents."
 58. The Council indicated that those principles apply to 500 investors on an annual basis upon completing security clearance and verifying the financial solvency thereof before processing according to the priorities of applying

for Jordanian citizenship or five-year residence. In case of violation of any of the conditions, the Council indicated that the Jordanian citizenship shall be withdrawn or the five-year residence shall be cancelled, as the case may be. Citizenship is granted to investors with existing investments so that the owner of the project or partners therein shall be granted Jordanian citizenship as follows: for an investment existing within the Governorate of the Capital, if the value of fixed assets or share thereof in the project based on certified annual balance sheets for the last three years was not less than two million Dollar per partner, along with providing 20 job opportunities to Jordanians, based on the statements of the Social Security.