

Regulation No. (82) for the Year 2000

Financial Regulation for the Aqaba Special Economic Zone

Issued in accordance with Article (56) of the Aqaba Special Economic Zone Law No. (32) for the Year 2000

Article (1)

This Regulation shall be known as the (Financial Regulation for the Aqaba Special Economic Zone for the Year 2000) and shall come into effect as of the date of its publication in the Official Gazette.

Definitions

Article (2)

The following words and phrases wherever used in this Regulation shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

Law	: The Aqaba Special Economic Zone Law.
Zone	: The Aqaba Special Economic Zone.
Authority	: The Authority of the Zone.
Board	: The Board of Commissioners.
Chief Commissioner	: The Chairman of the Board.
Directorate	: The Financial Affairs Directorate at the Authority.
Financial Director	: The Director of the Directorate.
Revenues	: The fees, taxes, service fees, fines, aids, grants and any other funds remitted to the Authority.
Expenses	: Current and capital Expenses incurred by the Authority in completing its businesses and activities.
Assets	: Movable and immovable real property owned by the Authority.
Advance Payment	: Any amount paid in advance on the account of the allocations appropriated for completing certain activities or for covering obligations resulting from contracts, agreements, guarantees or emergency miscellaneous (petty) Expenses.
Estimated Budget	: Financial statement that includes estimated Revenues and Expenses for a coming fiscal year.
Final Financial Statements and Accounts	: The financial statements that are prepared at the end of the fiscal year, indicating the Authority's financial status and the results of its activities for an ended fiscal year. They shall include Revenues, Expenses, cash flows, the Balance Sheet and the Profit and Loss Account.
Profit and Loss Account	: A financial statement, indicating the results of the Authority's activities within a specific year, showing the Revenues, Expenses and the net profit

or loss for that year
Balance Sheet : A statement that lists the balance of liabilities and Assets of the Authority as is at the end of the fiscal year.

Financial and Accounting Principles and Rules

Article (3)

The Authority shall adopt the following financial and accounting principles and rules:

- A- Customary accounting principles and internationally adopted financial and accounting rules.
- B- Using the double book entry method in organizing its accounts.
- C- Using the maturity basis in recording the financial operations for preparing the Final Financial Statements and Accounts.
- D- Considering the total Expenses approved in the budget as the maximum limit allowed for spending.

Duties and Powers

Article (4)

- A- The Chief Commissioner shall be the financial officer at the Authority and shall be responsible for supervising, organizing and administering the Authority's financial affairs. The Chief Commissioner shall be responsible before the Board for the soundness of the Authority's financial procedures.
- B- The Chief Commissioner shall be authorized in signing agreements and contracts approved by the Board which are concluded by the Authority with others.

Article (5)

The Chief Commissioner shall every two months periodically submit to the Board a report on the financial status of the Authority that includes a sufficient statement of the Authority's Revenues, Expenses, payable and receivable accounts and details of its liabilities, indicating the extent of its compliance to the estimates stated in its annual budget.

Article (6)

- A- All types of forms, records and books to be used by the Authority, as well as the financial responsibilities of the Directorate's employees and the employees who should submit financial guarantees shall be determined in accordance with instructions issued by the Board for this purpose.
- B- The Directorate shall be the body responsible for conducting all financial transactions and accounting records and paying the Authority's financial obligations according to the provisions of this Regulation and the instructions issued pursuant thereto.

Article (7)

- A- The Directorate shall keep all accounting and financial records, books and statements in their designated places at the Authority's head offices or at any other place upon a written approval of the Chief Commissioner, provided that such records, books and statements are always ready and accessible for audit at any time by any authorized entity.
- B- The Directorate shall keep all accounting and financial records, books and statements for a certain fiscal year for a specified period from the date the action relating thereto has been undertaken according to instructions issued by the Board for this purpose.

Article (8)

The Financial Director shall be responsible for the accuracy of the Authority's accounts and financial transactions, and the monitoring and compliance of such with the provisions of this Regulation. In particular, the Financial Director shall undertake the following:

- A- Supervise keeping accounting books and records and organizing such in an accurate manner according to the customary accounting principles and internationally adopted financial and accounting rules.
- B- Adopt payment orders and receipts upon verifying the accuracy of its preparation and compliance to the financial, accounting and legal conditions and requirements.
- C- Submit periodical reports of the Authority's actual Revenues and Expenses, bank accounts, loans and the Authority's unpaid obligations substantiated with any comments and recommendations thereupon.
- D- Prepare the Authority's Final Financial Statements and Accounts as is at the end of its fiscal year.

Article (9)

The Authority shall prepare statements relating to the ended fiscal year, which shall include the following:

- A- Sources of the Authority's Revenues accrued from its various activities, including the Authority's investment activities and the usages of these Revenues.
- B- Loans obtained by the Authority, including unused balances thereof.
- C- Various projects undertaken by the Authority, with sufficient details of each project.
- D- Payable and receivable accounts.
- E- Sureties and guarantees accounts.
- F- The Authority's adopted accounting and financial procedures.
- G- The Authority's Profit and Loss Account and Balance Sheet.
- H- Any other statements pertinent to the Authority's various activities, the preparation of which is necessitated by the nature of the work.

Article (10)

- A- The Directorate shall complete preparing the financial statements referred to in Article (9) of this Regulation and submit them to the Authority's auditors before the end of the first month of the subsequent fiscal year.
- B- The Directorate's employees shall reply to all inquiries by the auditor expeditiously and accurately in order to complete his duties within the specified time for such.

Article(11)

- A- The auditor shall submit to the Council of Ministers and the Chief Commissioner his report containing the results of auditing the Authority's Final Financial Statements and Accounts, including the Profit and Loss Account and the Balance Sheet for the ended fiscal year within a period not exceeding one month from the date of receiving such, including any clarifications thereon in order to submit it to the Board for taking the appropriate decision thereon. This report shall include in particular an affirmation of the following:
 - 1- That all the Final Financial Statements and Accounts were submitted to the auditor within the specified time.
 - 2- That the Authority's books and records were organized according to the customary accounting principles and internationally adopted accounting rules and accurately for the purposes of audit.
 - 3- That the Balance Sheet and the Profit and Loss Account are identical to the financial and accounting records, and truly and justifiably reflect such.
- B- The auditor must include in his report any reservations he has on the Authority's Final Financial Statements and Accounts, especially such pertaining to the Profit and Loss Account and the Balance Sheet.

Article (12)

The Chief Commissioner shall prepare the annual report of the Authority's various actions and activities within the ended fiscal year to be submitted to the Board, along with the Balance Sheet and the Profit and Loss Account. The Board shall in turn approve the report and submit it to the Council of Ministers by April of the subsequent year.

Estimated Budget

Article (13)

- A- Prior to the end of the Authority's fiscal year, the Chief Commissioner shall prepare the draft Estimated Budget for the subsequent year which shall include the Authority's estimated Revenues and Expenses expected for that year, including the surplus, the deficit, the mechanism of handling the deficit and any tables or explanations necessary for this purpose. Such draft shall be prepared in a manner that reflects the Authority's financial plan necessary to implement the Authority's policies, programs and projects during the year for which the Budget is prepared.

- B- The Chief Commissioner shall submit the draft Estimated Budget to the Board for approval and submission to the Council of Ministers for endorsement prior to the beginning of the Authority's fiscal year.

Article (14)

If the Council of Ministers does not endorse the Estimated Budget before the beginning of the fiscal year, the expenditure shall continue by monthly credits at the rate of 1/12 for each month from the previous year's budget, provided that these amounts are settled from the new budget once it is approved.

Article (15)

Allotments from one item to another of the budget's items may be transferred as follows:

- A- By a decision of the Chief Commissioner, upon the recommendation of the Financial Director, if the allotments were between items of current Expenses and items of capital Expenses. However, it is not allowed to transfer allotments from items of salaries, wages and allowances to other items in the current Expenses and vice-versa, unless by a decision of the Board upon the Chief Commissioner's recommendation.
- B- By a decision of the Chief Commissioner, upon the recommendation of the Financial Director, if the allotments were from items of current Expenses to items of capital Expenses.
- C- By a Board decision, upon the recommendation of the Chief Commissioner, if the allotments were from items of capital Expenses to items of current Expenses in exceptional circumstances required by the Authority's interest.

Article (16)

When necessary, the Board may, upon the recommendation of the Chief Commissioner, prepare a "supplementary" to the annual budget and submit it to the Council of Ministers for endorsement.

Revenues

Article (17)

Revenues shall be collected pursuant to adopted receipts, whether such receipt is subordinate or main, a copy of which shall be given to the payer.

Article (18)

The Board shall, upon the recommendation of the Chief Commissioner, issue the instructions necessary for regulating the levying and collection of the Authority's Revenues, particularly the following:

- A- Determining the persons authorized to collect the Authority's Revenues and the conditions to be fulfilled in them.
- B- The guarantees required by such persons, provided that such guarantees are authenticated by the Notary Public.
- C- The types of receipts used, their details and statements, number of copies for each type and the entities provided with such.

- D- Refunding any Revenues collected erroneously or Revenues that may be refunded in accordance with the Authority's enacted regulations and instructions.

Article (19)

- A- Every person authorized to collect the Authority's Revenues shall undertake to remit these Revenues to the Authority's account and shall be prohibited from retaining such for any reason except in cases allowed by the Revenues collection instructions issued by the Board.
- B- The Chief Commissioner or whom he authorizes in writing shall be entitled to audit the records and files related to collecting the Revenues.

Article (20)

The Authority may, upon a Board resolution and the Chief Commissioner's recommendation, conclude an agreement with any financial institution to collect the Authority's Revenues, provided that such institution shall comply with the provisions of this Regulation and the instructions issued pursuant thereto.

Article (21)

- A- Any aid, grant or donation, whether monetary or in-kind, accepted by the Authority according to the provisions of the Law shall be considered part of the Authority's property and shall be recorded in the Authority's Revenues account.
- B- The value of the in-kind aids, grants and donations shall be assessed by a committee appointed by the Chief Commissioner for this purpose.

Expenses

Article (22)

- A- No Expense shall be paid for which allotments in the Authority's budget or supplements thereto are not allocated. Such allotments shall not be used unless for the purposes for which they were allocated.
- B- In special cases necessitated by the interest of work, the Board may, upon the Chief Commissioner's recommendation, commit to an Expense exceeding its allotments allocated in the Budget, if the nature of the expenditure or the execution of the project lasts for more than one fiscal year.
- C- When necessary, the Board may create new items for capital Expenses and provide necessary allotments thereto from other capital Expenses' items.

Article (23)

- A- No financial obligation shall be incurred by the Authority unless pursuant to the authorities specified pursuant to the provisions of this Regulation.
- B- Payments of the Authority's financial obligations shall be made by payment orders according to principles and procedures specified in instructions issued by the Board

for this purpose, including the persons authorized to sign cheques, bank transfers or letters of credit.

- C- The Directorate may pay the salaries and allowances of the Authority's employees in cash.

Article (24)

According to what is decided by the Board, the Directorate shall disburse the annual allotments allocated in the budget between the Authority's different bodies to ensure the liquidity necessary for implementing the expenditure programs pertaining to each.

Advance Payments

Article (25)

The Board shall issue instructions pertaining to advance payments granted by the Authority, illustrating therein, and in particular, the following:

- A- The types of advance payments and ways of their expenditure.
- B- The cases in which advance payments are granted, their limits, and the powers to granting such.
- C- The guarantees required for granting any advance payment.
- D- Conditions of settling the advance payments within the fiscal year in which they were granted.

Trusts and Guarantees

Article (26)

The types of trusts that are entered into the Authority's records and the guarantees collected thereon, authentication mechanism, maintenance, remittance to people due thereto and other matters related thereto shall be determined by instructions issued by the Board.

Bank Accounts

Article (27)

- A- The Authority shall, upon a decision of the Chief Commissioner, open a private account in one or more banks into which all of the Authority's Revenues and loans amounts shall be deposited.
- B- All of the Authority's Expenses shall be paid out of the private account. The method of expenditure therefrom, the persons authorized to do so, the ceilings of authorization to spend and the requirements of documenting all transactions thereon shall be determined by instructions issued by the Board.

Borrowing and Administering the Debt

Article (28)

The Council of Ministers may, upon the recommendation of the Board, allow the Authority to borrow from any local or foreign entity for purposes of financing the Authority's various projects and activities, provided that the recommendation submitted to the Council of Ministers includes the method of paying the loan, along with the Authority's obligation to allocate the allotments necessary to serve this loan in the Authority's annual budget in order to avoid any confusion to its financial status.

Article (29)

- A- The Directorate shall, upon direct supervision from the Chief Commissioner, administer the Authority's debt.

- B- The Authority may not use any obtained loan for purposes other than those it was borrowed for unless upon a decision of the Board and the prior approval of the Council of Ministers.

Asset Investment Management

Article (30)

The Board shall manage and invest the Authority's funds according to basis and criteria it establishes for this purpose. The Board may form specialized committees to study the aspects of such investment and to submit their recommendations thereon to the Board.

Article (31)

The Financial Director shall provide the Chief Commissioner with periodic reports, concerning the Authority's investments and management of its assets, substantiated with his comments thereon and any other statements requested by the Chief Commissioner for this purpose.

Internal Audit

Article (32)

The Internal Audit Unit at the Authority shall operate in total independence and shall be directly accountable before the Board for the performance of its duties in auditing all financial and accounting procedures at the Authority and supervising the Authority's financial affairs. In particular, the Unit shall be responsible of the following:

- A- Monitoring the collection of the Revenues and the spending of Expenses, and ensuring their compliance with the provisions of the Law and the regulations and instructions issued pursuant thereto.

- B- Conducting periodic and unexpected audit to inspect the cash registers, warehouses and trust, examine the relevant financial documents, submit reports on such to the Board and provide the auditor with a copy thereof.

- C- Evaluating the performance and accomplishments of the Directorate and other activities of the Authority that are relevant to the financial affairs.

D- Any other task accorded to such by the Board.

General Provisions

Article (33)

- A- All records and financial documents related to any of the financial transactions of the Authority shall be recorded manually or electronically.
- B- All books, documents, files, applications and any papers relevant to any of the Authority's activities may be retained electronically.
- C- The Chief Commissioner shall issue the necessary instructions for electronically recording and maintaining all incoming transactions to the Authority and indicating the means of maintaining, modifying, crossing out and reproducing copies of such and other matters related to such.

Article (34)

The Chief Commissioner may delegate any of his powers prescribed pursuant to this Regulation and the instructions issued pursuant thereto to any member of the Board each within his own jurisdiction, provided that such delegation is specific and in writing.

Article (35)

The Board shall issue the instructions necessary for implementing the provisions of this Regulation. The Board shall be entitled to resolve any matter not stipulated in this Regulation in a manner that does not contradict with the provisions of this Regulation.