

Regulation No. (23) for the Year 2001
Regulation for the Organizing of Accounts and Financial Statements of
the Registered Enterprise in the Aqaba Special Economic Zone

Issued in accordance with Paragraph (A) of Article (40) of the Aqaba Special Economic
Zone Law No. (32) for the Year 2000

Article (1)

This Regulation shall be known as the (Regulation for Organizing of Accounts and Financial Statements of the Registered Enterprise in the Aqaba Special Economic Zone for the Year 2001), and shall come into effect as of the date of its publication in the Official Gazette.

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.
Registered Enterprise	: The person registered with the Authority and licensed to conduct any economic activity in the Zone according to the provisions of the Law.

Article (3)

Without prejudice to the provisions of any relevant legislation prevailing in the Zone and the Customs Territory, Registered Enterprise shall undertake to organize its accounts and financial statements according to customary accounting principles and internationally recognized accounting and financial standards. This shall be done by applying accounting methods necessary for this purpose, particularly pertaining to the following:

- A- Record keeping according to the provisions of Article (4) of this Regulation.
- B- Inventory control according to the provisions of Article (5) of this Regulation.
- C- Revenues and expenses of the Enterprise.
- D- Income incurred from its activities in the kingdom excluding the Zone and the expenses related thereto, separately from the income derived from their activities in the Zone or outside the Kingdom and the expenses related thereto, by way of implementation of the provisions of Paragraph (B) of Article (40) of the Law.

Article (4)

The Registered Enterprise shall maintain a record-keeping system for the following:

- A- Admitting goods to the Zone, and selling or consuming such therein.

- B- Exporting, re-exporting, transiting, transshipping goods from, into or through the Zone.
- C- All invoices pertaining to goods, including manifests, declaration lists, purchase orders, certificates of origin and any other documents relating to its activities, including:
 - 1- Financial records pertaining to expenditures and receipts.
 - 2- Import and export statements.
 - 3- Goods movement permits.
 - 4- Documents relating to production.
 - 5- Deeds for transfer of ownerships.
 - 6- Documents for delivery of goods.
 - 7- Statistical declarations and annual inventory records.

Article (5)

- A- Registered Enterprise shall maintain an inventory control system for all goods admitted to its premises in the Zone, including goods destined for consumption or use, provided that such system shall make due account to the availability of the following:
 - 1- An audit trail of movement and quantity of goods from manufacturing or admission and clearance, through their storage, processing, transferring of ownership to any Enterprise, whether or not Registered in the Zone, or their use, consumption, removal from the Zone, destruction, or disposition of such goods in any manner, according to the provisions of the Law and the Regulations and Instructions issued pursuant thereto.
 - 2- An identification of quantities, value, description of shortages and overages of goods in inventories and their classification in Tariff Schedules.
- B- Quantities of goods received by the Registered Enterprise shall be recorded in a report using as a reference the unique number of the Application for Admission so as all goods shall be traceable through this Application and its supporting documents provided that all such goods will be recorded into the inventory control system using the unique number of the Application for Admission.

Article (6)

- A- Immediately upon receipt of the goods, the Registered Enterprise shall take the following procedures:
 - 1- Review the admission documentation to verify that the Zone's competent body has issued a written authorization for the receipt of the goods at its premises.
 - 2- Verify the condition and quantity of the goods against the invoice and delivery and shipping documents and reconcile any discrepancies.
 - 3- Promptly report to the Authority's competent body any discrepancies in the condition or quantity of the goods and provide the Authority with an amended Application for Admission indicating any overage or shortage.
 - 4- Record the goods into the Registered Enterprise's inventory, showing the unique number of the Application for Admission.
 - 5- Transport the goods from the place of receipt to the place of storage.
 - 6- Mark the packaging of the goods, or place the goods in marked storage locations, for their proper identification during inventory checks and audits.

- B- The unique number of the Application for Admission will be used to trace all goods in the facility. Fungible goods may be intermixed in inventory and thereafter identified in the record-keeping system through their unique inventory category number, provided that inventory records will specify the following by the unique Application for Admission or inventory category number:
- 1- location of the goods.
 - 2- real cost or value of the goods.
 - 3- opening balance, received goods, cumulative removals, balance on hand including goods ensuing therefrom.
 - 4- consumed goods.
 - 5- damaged or duly destroyed goods.
 - 6- scrap and waste.

Article (7)

- A- Subject to the provisions of Paragraph (B) of this Article, the Registered Enterprise shall be responsible for all goods it owns or under its possession, until they are disposed of according to the provisions of the Law and the Regulations issued pursuant thereto.
- B- Where goods are sold or otherwise transferred from one Registered Enterprise to another person in the Zone, the purchaser or transferee, upon signature for receipt of the goods, shall become thereby responsible therefore. The inventory records shall be adjusted accordingly.
- C- The Registered Enterprise shall be relieved from responsibility when consuming goods, such as fuel, oil, food, office or cleaning supplies, or chemical accelerators or retardants, on the premises of the Registered Enterprise. The Registered Enterprise shall, as the case may be, maintain records pertaining thereto provided that the Registered Enterprise shall substantiate their consumption.
- D- Goods which are brought into the Zone to be used but not consumed, such as construction materials, production equipment or machinery, office equipment and furniture, must be recorded separately as capital assets in the inventory records of the Registered Enterprise. The Registered Enterprise shall retain sufficient records, including the Application for Admission and supporting documents, vehicle registration records, and location records to facilitate a verification that the goods are still in the Zone.

Article (8)

Unless otherwise stipulated by the Board, the Registered Enterprise shall submit to the Authority all required books, records, registers and any other documents within a period not exceeding the first four months of its relevant fiscal year's end.

Article (9)

- A- Where the Registered Enterprise fails to maintain inventory control system or records keeping system according to the provisions of this Regulation, the Authority shall undertake the procedures specified in the Law in this regard.
- B- The Authority may undertake any necessary legal procedures it deems appropriate where any of the records stipulated in Paragraph (A) of this Article are lost,

damaged, or otherwise inaccurate to an extent that disables the Authority's competent body from auditing accounts or revising quantities of goods or related records.

Article (10)

Any person performing an official duty to implement the provisions of this Regulation shall, subject to legal liability, maintain the confidentiality of all documents, information, lists, production and manufacturing methods and processes, customers lists and any other data of the Registered Enterprise, and shall refrain from copying or retaining any copies therefrom.

Article (11)

Anyone conducting an economic activity according to the provisions of Articles (22) and (23) of the Law shall abide by the provisions of this Regulation. The Board may exempt from such commitment, in whole or in part, in accordance with the instructions issued for this purpose.

Article (12)

- A- The Board shall issue the necessary instructions for implementing the provisions of this Regulation, including the following:
 - 1- The period for which records and accounting and financial books and statements shall be kept by Registered Enterprises, and the procedures pertaining thereto.
 - 2- The Authority's auditing basis and procedures for the accounts, records and registers of Registered Enterprise.

- B- The Instructions issued in accordance with the provisions of this Regulation shall be published in the Official Gazette.