

ARDD-JONAF Report on the New Legal Requirements for Regulating the Work of Local and Foreign Associations in Jordan

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The Arab Renaissance for Democracy and Development (ARDD) is following up on several civil society issues to promote the work of Jordan NGOs Forum (JONAF) and its member and affiliated associations. In this brief report, ARDD reviews the most significant updates on the legal status of associations. Since 2023 to date, many decisions have been issued and several measures have been taken that are directly related to local and foreign organizations registered within the Register of Associations in Jordan, whether they are local associations of different kinds or branches of foreign and international associations. These procedures and requirements exclude United Nations agencies, organizations established under a special law, non-profit companies, and organizations registered under a direct agreement with the Jordanian government.

Gratitude and appreciation are due to the Ministry of Social Development, the Register of Associations, and all the relevant authorities for their constant efforts to develop, update, and simplify procedures for associations. ARDD and JONAF would like to offer support hereby by elaborating on these developments to the concerned parties, in addition to highlighting some notes to work on to facilitate implementation and follow-up.

The following is a summary of the most prominent of these updates and the accompanying legal procedures :

1- Developing an electronic platform for all associations in Jordan:

In mid-2023, the Register of Associations launched an electronic platform ([Takamul Platform](#)) as part of the Department of Register of Associations' plan for electronic transformation and to provide an electronic platform to connect associations with the relevant institutions. The "Takamul Platform" was officially certified as of the beginning of 2024.

The platform provides associations with many services, including updating the data of the person authorized to access the Takamul platform, updating the geographical location of the association's headquarters, the service of entering and updating the names of the members of the General Assembly and the administrative body of the association, the

service of entering and updating the data of the association's paid workers and volunteers, the service of entering the [financial and administrative] annual report, the

service of updating the names of the association's commissioners, the service of entering notices of events and activities by associations electronically, the service of archiving documents electronically for the associations, and the service of issuing the association's information certificate, which contains all the association's information.

It is now mandatory for all associations to register on the platform and upload all the information as well as the annual and financial reports from each year and before 30/6, in addition to submitting approval requests for the implemented activities and projects, among other requirements and services.

Associations that were unable to access the platform or register on it can get in touch with the Register of Associations Department by visiting the department at the Ministry of Social Development headquarters or through the Register's accounts on social media, or on the phone numbers provided for each governorate, which are available on the web page of the Register of Associations and social media .

The Register of Associations has launched a guide for this purpose, which can be accessed through the following link:

<https://www.youtube.com/watch?v=S8MrZ8OuFDk>

2- Amending the National Number of the Association

At the beginning of the first month of 2024, a decision was issued by the Prime Minister in coordination with the Register of Associations to amend the national number of associations to consist of ten to thirteen digits, which requires all associations registered in Jordan, through the Register of Associations, to take the following legal measures:

- Report to the register of associations at the Ministry of Social Development in Amman.
- Bring the original certificate to replace the new certificate.
- Access the Takamul platform and activate the new number on the platform.
- Report to the official authorities to update the national number of the association.

Reporting to the official authorities requires the following:

A. Reporting to the Income and Sales Tax Department

ARDD conducted follow-up activities with the Income and Sales Tax Department to amend the national number. It was discovered that any updates to the taxpayer's information must be completed within 30 days from the date of issuing the decision to amend the national number of the association. Failure to comply results in a fine of 500 Jordanian dinars under the provisions of the Income and Sales Tax Law. ARDD successfully amended the national number within the legal time limit, and the process went smoothly.

B. Updating the Banking Data

This involves updating the association's information on its bank account to reflect the amended national number.

C. Updating the Information at the Amman Municipality

ARDD followed the necessary procedures to amend the national number on the occupational license. They found a direct link between the Amman Municipality and the Register of Associations, allowing immediate updating of the association's information upon submitting the amendment request.

D. Social Security Corporation

ARDD followed up with the Social Security Corporation to amend the national number. It was found that the electronic system of the Social Security Corporation does not allow the entry of more than nine numbers, resulting in the exclusion of the national number from the registered data of establishments in the civil society sector.

Based on these findings, ARDD addressed the Register of Associations to highlight this issue and the need to resolve it within the Social Security Corporation's electronic system to prevent disruptions in insurance transactions.

However, addressing this issue requires redoing all previous procedures to update the association's information and data with the official authorities, including the Social Security Corporation.

3- Developing an electronic system for issuing occupational licenses and renewing them through municipalities

What is meant here is the electronic occupational licensing system, which is being applied for the first time in the municipalities, especially in the Zarqa Governorate, and includes (31) electronic services currently provided by the municipalities, out of (49) services covered by the municipal electronic services automation tender, with the aim of governing the procedures. ARDD has followed the procedures of renewing the occupational licenses related to its branches in the governorates, and it was found that these procedures require the amendment of the national number through the Ministry of Local Administration, and then submitting the application through the electronic system, and that among these requirements is the submission of a letter of explanation issued by the Register of Associations indicating the new number and the fact that the association does not aim to make a profit, in addition to the association's objectives, and any other requests that any individual municipality may make.

Due to the novelty of the electronic system, it has been noticed that some technical malfunctions disrupt the course of the procedures, in addition to challenges in applying the system by the employees working on it in the municipalities, as it is still in the initial trial stage.

4- The invoicing system issued by the Income and Sales Tax Department

A system that was issued based on the provisions of the Income Tax Law No. 38 of 2018, under the provisions of paragraph (f) of Article (23), which requires a person to issue a fundamental invoice for the provision of any service in return for a fee or the sale of any commodity within the Kingdom, and to regulate, issue, and control all matters related to invoicing systems and the categories excluded from them under this system. Based on the provisions of Article (16) of the Regulation on the Organization of Invoicing Affairs and their Monitoring No. (34) of 2019, the Executive Instructions for Invoicing Affairs and their Monitoring No. (1) of 2019 were issued. The deadline for registration in the invoicing system is 30 May 2024. Otherwise, registrants are required to pay a fine of up to 500 JOD.

In following up on this issue, ARDD found that all local and foreign organizations registered in Jordan fall under the invoicing system and must register in it, even if they do not make a profit and do not sell any service or commodity. This means that a distinction must be made between those who are required to register but do not have to issue invoices, on the one hand, and those who are required to register and issue invoices at the same time, on the other.

Accordingly, the organization approached the Department of Income and Sales Tax on this matter, explaining that it is a non-profit organization that does not sell goods or services and that it relies on its revenue sources for funding. Therefore, it requested that the organization be exempted from registration in this system, which will also apply to other associations if the above decision is issued.

However, although the deadline is approaching, ARDD has not received any response to its question from the Income and Sales Tax Department to confirm or deny the request.

The organization has since followed up with the department, making several requests for a response to its letter without receiving any, only to find that there is ambiguity and generality that hinders determining the nature of the legal procedure required in such cases, especially concerning associations and rectifying their situation.

Therefore, the safest legal opinion was to complete the registration to avoid any fines until the completion of the procedures and perceptions on how to issue invoices and whether it should be mandatory or not, and that the Department will work on this later.

ARDD has followed up on this issue with the Register of Associations, bringing the Secretary-General up to speed on the procedures related to the system, and the secretary promised to follow up on this issue with the Income and Sales Tax Department, and this follow-up is still ongoing until this moment to discuss the details of the matter.

It should be noted that most sectors, including, for example, the Bar Association, have currently formed a joint committee with the Income and Sales Tax Department to discuss and study this issue, and have come up with legal solutions regarding this system and its consequences.

Conclusion

Following the updates described above, and from the point of view of ARDD and the members of JONAF, we have made the following observations:

- The technical development and improvement of the systems by the official authorities is a positive advancement that benefits the development of the civil society sector.
- Development requires specialized resources to ensure proper implementation, maintain the integrity of the legal status, and avoid any violations and fines that could negatively impact the work of civil society organizations.
- A fundamental challenge in the efforts of civil society organizations to keep pace with development and legal obligations is the lack of necessary resources and insufficient funding allocated to these resources.
- Modern legal requirements necessitate dedicated time and training for CSOs. We recommend a sufficient period (one year) to apply these requirements before imposing any fines on non-compliant associations.
- Communication methods between official authorities, especially the Register of Associations, and all associations need improvement. This includes sharing requirements and providing sufficient information on their application mechanisms. It is essential to hold discussion and dialogue sessions, as well as preparation and participation sessions, to explain the amendments to the concerned parties before and after their approval.
- Following up with local associations to ensure implementation and providing technical and financial support is crucial. This support helps associations comply with and implement the new legal requirements and obligations, ensuring the continued integrity of their legal status.