

New Amendments to the Jordan Bar Association Law

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Lawyers can either be engaged on a time spent basis, on a case by case basis, or on retainer for a specific period of time.

When it comes to retainer agreements, these usually include providing clients with general legal advice and legal consultancy regarding issues in a specific jurisdiction for a period of one year. The legal services provided by virtue of said retainer agreements do not usually include translations, litigation and arbitration cases, transactional work or special projects.

Additionally, it is important to note that in some jurisdiction, as is the case in Jordan, local laws and regulations oblige companies with a certain set capital to retain lawyers on an annual basis.

Amendment Law

The Jordan Bar Association has recently amended its law no. 11 of 1972, thereby reducing the minimum capital for companies in relation to retaining lawyers. Accordingly and pursuant to the amending law no. 25 of 2014, the following companies are now under an obligation to retain a lawyer:

1. Public Shareholding companies regardless of the capital.
2. Private Shareholding Companies noting that pursuant to the previous law, private shareholding companies with a minimum capital of 150,000JOD (Jordanian Dinar. At the time of writing this article, 1JOD = US\$1.41) were obliged to retain a lawyer.
3. Limited Liability Companies with a capital not less than 20,000JOD are now obliged to retain a lawyer noting that pursuant to the previous law; only Limited Liability Companies with a minimum capital of 150,000JOD were obliged to retain a lawyer.
4. Foreign companies, branches, regional and representation offices, companies registered in the Development zones, free zones, Aqaba Special Economic Zone (ASEZ), Petra Development and Tourism Authority, exempt and nonprofit companies are now all obliged to retain a lawyer regardless of their capital.
5. Any other companies with a minimum capital of 50,000JOD.

Further, the abovementioned amendment to the law continues to provide that the fine imposed on a company for failing to retain a lawyer is now increased to 5JOD per day which shall be effective 3 months from the date the law is published in the official gazette.

Comment

Even though this amendment to the law aims to generate more business for the legal community, it is likely to cause difficulties to lawyers, due to the fact that there is a limit of five companies that can be registered under the name of each lawyer. Accordingly, this will trigger a minimum fees which all lawyers will apply for this purpose.