



الوحدة الاستثمارية
مؤسسة الضمان الاجتماعي
The Investment Unit
Social Security Corporation

Bylaw Number 111 issued in 2001

**Regulation No. (111) for the Year 2001 -The Social
Security Investment Fund Regulation - Issued
Pursuant to Article (76) of the Social Security Law
*No. (19) for the Year 2001**

Article (1):

This Regulation shall be known as (The Social Security Investment Fund Regulation for the Year 2001) and shall come into force as of the date of its publication in the Official Gazette.

Article (2):

The following words, wherever mentioned in this Regulation, shall have the meanings ascribed thereto hereunder unless otherwise indicated by context:

- **Law:** The Social Security Law.
- **Corporation:** The Social Security Corporation.
- **Board:** The Board of Directors of the Corporation.
- **Chairman:** The Chairman of the Board.
- **Unit:** The Investment Unit established pursuant to the provisions of this Regulation.
- **Commission:** The Management Commission of the Unit.

Article (3):

A specialized investment unit, reporting to the Chairman and managed by the Commission, shall be established. The Unit shall invest the funds of the Corporation in accordance with an investment policy prepared by the Commission and approved by the Board.

Article (4):

The Unit aims to manage the investments of the Corporation in a manner ensuring the increase of its financial resources subject to the following principles:

- Retaining the real value of the assets and liabilities of the Corporation by realizing profitable and regular returns.
- Maintaining the real value of the investments.
- Reducing the risks by diversification of the investments of the Corporation between different investment tools.
- Providing the needed liquidity in order to meet the liabilities of the Corporation.
- International standards relevant to the management of social security funds.

Article (5):

In the interest of realizing its aims, the Unit shall manage the financial portfolio of the Corporation according to the following:

- Trading in local companies shares, whether listed or unlisted in the stock market exchange.
- Establishing projects in cooperation with the public and private sectors, and participating in the already established feasible projects.

- Buying and selling bonds, debentures and other securities and subscribing thereto.
- Depositing cash within the banking system in return for appropriate revenues.
- Participating in the joint investment funds.
- Participating in financing national projects which are economically feasible through providing long term loans in return for appropriate guarantees.
- Buying, selling, and developing lands and buildings for the purposes of ownership, sharing, and investment or trading.
- Carrying out any investment activities approved by the Commission and adopted by the Board.
- Conducting feasibility studies for the projects to be invested in; accordingly may seek experts and specialists assistance.
- Following up on the performance of the representatives of the Corporation in the companies in which the Corporation is a shareholder, and submitting reports on the performance of these companies accompanied by the recommendations to the Commission.

Article (6):

Subject to the approval of the Council of Ministers, and based upon the recommendation of the Board, the Unit may invest outside the Kingdom in accordance with the controls and principles determined by the Board in coordination with the Central Bank of Jordan.

Article (7):

A- The Commission shall be formed of nine people, under the chairmanship of the chairman of the Commission and the following as members:

1. The Director General of the Corporation vice- chairman.
2. Two Board members named by the Board; one representing the employees and the other representing the employers; either one of them may be replaced with another in the same way.
3. Five experienced and qualified members to be appointed by the Council of Ministers based upon the recommendation of the Board which is based upon the recommendation of the Chairman; anyone of them may be replaced with another in the same way.

B- The chairman of the Commission shall name one of the employees of the Unit employees as rapporteur.

C- The Board shall, based upon the recommendation of the Chairman, determine the bonus of the chairman and members of the Commission.

Article (8):

A- Upon the recommendation of the Chairman, a fulltime chairman shall be appointed for the Commission according to a decision taken by the

Council of Ministers, which shall include the salary and all the financial entitlements of the chairman. The services of the chairman shall be terminated in the same way.

B- The chairman of the Commission shall enjoy all the financial entitlements, privileges and allowances designated for the employees of the Unit as determined in the instructions in force.

C- The chairman of the Commission shall have the following functions and authorities:

1. Implementing the decisions taken by the Commission, supervising the Unit, and following up on the performance of its functions.
2. Following up on the plans and programs needed for implementing the adopted investment policy.
3. Managing the affairs of the Unit, supervising the employees and workers thereof, managing all its bodies, following up on the financial and administrative affairs, coordinating between the Unit and any relevant authority, and carrying out the necessary procedures for such.
4. Proposing the organizational structure of the Unit and the job descriptions therein, and submitting both to the Commission for approval.
5. Preparing the annual budget of the Unit, and furnishing such to the Commission for adoption in preparation for submission to the Board for approval.
6. Preparing the annual report of the Unit, including the financial statements related to the investment activity and the financial statements for the year ended and submitting them to the Commission for adoption in preparation for submission to the Board for endorsement.
7. Signing the agreements and contracts adopted by the Commission.
8. Preparing the regulatory, financial and administrative instructions required for the Unit, and submitting them for the Commission for adoption.
9. Any functions or authorities entrusted or delegated to him by the Commission according to the Instructions issued pursuant to the provisions of this Regulation.

D- The chairman of the Commission may delegate any of his authorities determined according to the provisions of this Regulation to any of the employees of the Unit provided that the authorization is specific and in writing.

Article (9):

A- No Commission member shall have, throughout the entire term of membership in the Commission, any personal interest, whether directly or indirectly, in the functions or activities of the Unit. Each member shall,

before commencement of his membership, furnish to the Commission a declaration in writing affirming the absence of such personal interest subject to legal responsibility and termination of his membership in the Commission.

B- Where any member of the Commission happens to have any personal interest, whether directly or indirectly, prior to the appointment as a member in relation to the functions or activities of the Unit; the member shall disclose such interest during the first session which the Commission shall hold to determine and limit such interest. The relevant member shall furnish a declaration to the Commission indicating that he shall not abuse the membership in order to obtain any new gain, subject to legal responsibility and termination of his membership in the Commission for any violation thereof.

Article (10):

The Commission shall have the following functions and authorities:

A- Proposing the investment policies and submitting such to the Board for adoption.

B- Setting up the needed plans and programs for implementing the general investment policy set by the Board.

C- Contracting with investment companies and financial experts and determining their fees.

D- Forming permanent and temporary committees needed for the operations of the Unit, and determining their tasks, authorities and the bonuses extended to members who are not Unit employees.

E- Evaluating the performance of the Unit and submitting a report on this matter to the Board.

F- Submitting quarterly reports on the activities and financial status of the Unit to the Board.

G- Issuing the internal executive and regulatory financial, administrative illustrator and technical instructions of the Unit in order to realize its objectives.

H- Adopting the draft annual budget of the Unit, indicating the different areas of expenditures along with the amounts allocated to each area, in preparation for submission to the Board for approval.

I- Delegating any of its authorities stipulated in this Regulation or the Instructions issued pursuant thereto to the chairman of the Commission or to the employees thereof, provided that the delegation is specific and in writing.

J- Any other function related to the objectives and activities of the Unit.

Article (11):

A- The Commission shall be called upon for a meeting by the chairman of the Commission or the vice-chairman, in his absence, at least once a month and as need arises, or upon the request of at least three

members, indicating the reasons for the invitation for the meeting along with the items to be discussed. The quorum of the meeting shall be of at least five members provided that the chairman or the vice-chairman is one of them. The decisions shall be taken based upon the majority votes of the attendees.

B- The chairman of the Commission may invite a specialized expert or more to attend the meeting in order to seek their advice.

Article (12):

The membership of any of the members of the Commission shall terminate in any of the following cases:-

A- Resignation.

B- Failure to attend three consecutive meetings without an acceptable excuse.

C- Sentenced with a crime or an offense violating honor or public morals.

D- Incapability of carrying out the functions within the Commission for six consecutive months.

E- Declared bankrupt or insolvent.

Article (13):

A- A committee known as the "Audit Committee" shall be formed by a decision of the Commission, and shall be formed of a chairman and two non-executive members selected by the Commission from its members.

B- The Audit Committee shall have the following functions and authorities:

1. Reviewing the comments stated in the report of the external auditor, and following up on the measures taken in this regard.
2. Examining the annual internal auditing plan, reviewing comments in the report of the internal auditor, and following up on the measures taken in this regard.
3. Ensuring that the accounting and supervisory procedures are accurate and sound, and being complied with.
4. Ensuring full compliance with the laws, regulations and instructions applicable to the Unit.

C- The Audit Committee shall function under the supervision of the Commission, and shall submit its reports and recommendations to the Commission.

Article (14):

Notwithstanding the provisions of the regulation of the Employees and

Workers of the Corporation in force, the Unit shall have specialized and experienced administrative and technical staff; the appointment of which, the determination of their salaries, allowances, financial and job entitlements shall be determined according to Instructions issued by the Board upon the recommendation of the Commission.

Article (15):

The Board shall, upon the recommendation of the Commission, issue the necessary executive instructions for implementing the provisions of this Regulation including the Instructions related to the administrative, financial and technical affairs of the Commission.

Article (16):

The Social Security Corporation Investment Fund Regulation No. (69) for the year 2001 shall be repealed.