



UNIVERSITY OF DEBRECEN

FACULTY OF LAW

**THE IMPACT OF THE COMPANIES AND INVESTMENT LAW ON
ATTRACTING FOREIGN INVESTMENTS IN THE HASHEMITE KINGDOM
OF JORDAN FROM A LEGAL POINT OF VIEW**

Submitted in fulfillment of the requirements of the degree of Ph.D. of Changes of
State and Law in Central and Eastern Europe (Ph.D.) (Dissertation) in the
Faculty of Law, University of Debrecen / Géza Marton Doctoral School of Legal
Studies, Debrecen, Hungary

Supervisor

Zsolt Hajnal

Candidate

Alaa Kopti

Debrecen, 2026



ABSTRACT

The present study delves into an in-depth exploration of the ramifications of corporate and investment legislation on the allure of foreign investments within the confines of the Hashemite Kingdom of Jordan, primarily from a jurisprudential standpoint. It endeavors to unravel the pivotal role foreign investments assume in fortifying local economies, heralding capital infusion, generating employment opportunities, and nurturing economic expansion. Acknowledging this fundamental aspect, Jordan has enacted a plethora of statutes tailored to entice foreign investors, exemplified by the enactment of the Companies Law No. 22 of 1997 and the Investment Law No. 21 of 2022. These legislative enactments are meticulously crafted to furnish a conducive milieu for investments, replete with incentives such as exemptions from customs duties and robust legal safeguards for investors. The crux of this research lies in its adoption of a legal analytical methodology, which meticulously dissects the efficacy of these statutes through the prism of Jordan's economic progress and investment allure strategies. This methodological approach involves a comprehensive perusal of Jordan's legislative scaffolding, a meticulous scrutiny of the incentives extended to foreign investors, and a nuanced evaluation of the legislative impacts on both economic and societal realms. The research corpus draws upon a plethora of data sources, encompassing inputs from the Jordanian Ministry of Investment and the Companies Control Department, in addition to insights gleaned from a survey conducted among legal practitioners operating within the jurisdiction. The findings derived from this multifaceted analysis underscore the efficacy of Jordan's legislative initiatives in fostering a climate conducive to foreign investments, bearing testimony to their substantial contributions towards bolstering national income, stimulating economic expansion, and catalyzing job creation. However, the research also meticulously delineates areas ripe for enhancement, particularly in harnessing foreign investments as a vehicle for broader socio-economic development and augmenting the volume of foreign investments within the ambit of the Amman Stock Exchange. In essence, the study draws to a close by advocating for further refinements in the legislative landscape to extract maximal socio-economic dividends from foreign investments. It underscores the indispensability of a continuous cycle of legal and policy adaptations, tailored to align with global economic dynamics, thus ensuring that foreign investments are harnessed as efficaciously as possible to fulfill Jordan's developmental imperatives. In its broader academic ramifications, this research contributes significantly to the discourse surrounding the intricate interplay between legal frameworks and foreign investments in the context of developing nations. It offers valuable insights catering to a diverse spectrum of stakeholders, ranging from policymakers and legal luminaries to economic strategists, all of whom are vested in augmenting the allure of their respective jurisdictions to prospective foreign investors.

Keywords: Companies Law, Investment Law, Foreign Direct Investment, Jordan, Institutional Theory, Legal-Incentive Approach

ACKNOWLEDGEMENTS

This work is dedicated to a constellation of guiding stars in my life, each of whom has illuminated my path to this moment of achievement. Foremost, my gratitude reaches out to the University of Debrecen, an esteemed institution that has not only been a beacon of knowledge but also a fertile ground for my academic and personal growth. This university, with its rich heritage and commitment to excellence, has provided me with the tools, resources, and environment necessary to pursue and fulfill my scholarly ambitions.

To my supervisor, whose expertise, patience, and guidance have been invaluable, I owe a debt of gratitude. Your unwavering support and insightful feedback have been instrumental in shaping both this research and my development as a scholar. Your mentorship has been a cornerstone of my academic journey, for which I am eternally grateful.

My family - my father, mother, brother, sister-in-law, my nephews (Yacoub and Yousef), my beloved son Hashim, and my wife - your endless love, encouragement, and sacrifice have been my stronghold. You have been my unfailing support system, cheering me on in moments of doubt and celebrating with me in times of success.

To my son, Hashim, your presence has been a constant source of inspiration, strength, and happiness. Every achievement becomes more meaningful because of you, and every challenge feels lighter knowing that you are part of my journey. This accomplishment is dedicated to you as much as it is to anyone else.

To my wife, your understanding and love have been my sanctuary; your belief in me has been my greatest motivator.

Lastly, to everyone who contributed to the completion of this research, your assistance has been a vital component of my success. This includes those whose names might not be mentioned but whose contributions have been significant. Your help, in various forms, has been essential and deeply appreciated.

This dedication stands as a testament to the collective effort and support that has guided me to this point. Thank you all for being part of this journey.

DECLARATION

I, the undersigned, Alaa Yacoub Jamil Kopti, a student at the University Debrecen Faculty of Law, Géza Marton Doctoral School of Legal Studies, being fully aware of my legal liability, do hereby declare and certify with my signature that my thesis is my own original work and that the printed and electronic literature referred to in it was used in accordance with the international rules of copyright.

Alaa Kopti



TABLE OF CONTENTS

ABSTRACT	VII
ACKNOWLEDGEMENTS	VIII
LIST OF TABLES	14
CHAPTER ONE INTRODUCTION	15
1.1 INTRODUCTION.....	15
1.2 PROBLEM STATEMENTS	18
١,٣ STUDY QUESTIONS	23
1.4 STUDY OBJECTIVES	24
1.5 STUDY HYPOTHESES.....	25
1.6 STUDY IMPORTANCE	26
1.7 DEFINITION OF TERMS.....	28
1.8 STRUCTURE OF THE STUDY	29
1.9 CHAPTER SUMMARY.....	30
CHAPTER TWO LITERATURE REVIEW	31
2.1 INTRODUCTION.....	31
٢,٢ THEORETICAL FRAMEWORK OF FDI Attraction.....	32
2.2.1 The Institutional Theory	32
2.2.2 The Legal-Incentive Theory	35
2.2.3 Dunning's Eclectic Paradigm (OLI Model)	38
٢,٢,٤ The Neoliberal Theory.....	40
2.3 Empirical Literature on FDI and Legal Frameworks.....	42
2.3.1 International Literature.....	42
2.3.2 Regional and Arab Literature	46
2.3.3 Jordan Literature.....	48
2.4 RESEARCH GAP AND POSITION OF THE CURRENT STUDY	51
2.5 LEGAL FRAMEWORK OF FOREIGN INVESTMENT IN JORDAN	54
2.5.1 Jordanian Companies Law.....	54
2.5.1.1 The Evolution of the Jordanian Companies Law: A Historical Overview	54
2.5.1.2 The Influence of Foreign Laws on the Development of Jordanian Corporate Law: A Comprehensive Analysis.....	56
2.5.1.3 Issuing the Modern Jordanian Companies Law	58
2.5.1.4 Articles of Jordanian Companies Law	59
2.5.1.5 Key Chapters and Materials in Modern Jordanian Corporate Law: A Comprehensive Overview	73
2.5.1.6 Important Amendments and Their Rationale in Modern Jordanian Corporate Law	77

2.5.1.7	Challenges and Obstacles Arising from Legal Amendments in Modern Jordanian Companies Law	79
2.5.1.8	A Comparative Analysis of Jordanian Companies Law and Companies' Laws in Other Countries	81
2.5.2	Jordanian Investment Law	88
2.5.2.1	Introduction of Foreign Direct Investment (FDI)	90
2.5.2.2	Determinants Of Foreign Investment in Arab Countries	100
2.5.2.3	Determinants Of Foreign Investment in Jordan	101
2.5.2.4	Legal Framework and Main Provisions for Foreign Investment in Jordan	104
2.5.2.5	The Jordanian Investment Law of 2023	108
2.5.2.6	Government Efforts to Attract Foreign Direct Investment	113
2.5.2.7	The Importance of Foreign Direct Investment to the Jordanian Economy, Investment Environment, and on the Distribution of Foreign Investments between Sectors	115
2.5.2.9	Challenges and Future Prospects for Foreign Direct Investment in Jordan	122
2.6	ANALYTICAL LINK BETWEEN THE THEORETICAL FRAMEWORK AND THE EMPIRICAL MODEL	125
2.7	CHAPTER SUMMARY.....	127
	CHAPTER THREE METHODOLOGY.....	129
3.1	INTRODUCTION.....	129
3.2	RESEARCH DESIGN.....	129
3.3	POPULATION AND SAMPLING	130
2.7.2	Population	130
2.7.3	Sampling Method	131
2.7.4	Justification for the Legal Analytical Method.....	132
2.7.5	Sampling Frame.....	133
2.7.6	Sample Size.....	134
2.7.7	Population and Sampling Techniques	134
2.7.8	Data Collection Procedure	135
2.7.9	Content of Survey Questionnaire.....	136
3.4	QUESTIONNAIRE CONTENT DEVELOPMENT	136
3.5	RESPONSE FORMATTING	137
3.6	SCALE DEVELOPMENT	137
3.7	STATISTICAL ANALYSIS AND DATA PROCESSING METHODS	138
3.8	SUMMARY	139
	CHAPTER FOUR DATA ANALYSIS.....	140
4.1	INTRODUCTION.....	140
4.2	SURVEY DATA MANAGEMENT	140
4.2.1	The Population and Sample of The Study	141
4.2.2	Data Coding and Screening	141
4.2.3	Response Rates	142
4.2.4	Test of Non-Response Bias	144

4.2.5	Missing Data	145
4.2.6	Outliers	146
4.2.6.1	Univariate outliers	146
4.2.6.2	Multivariate	146
4.2.7	Descriptive Statistics	147
4.3	NORMALITY TEST	148
4.4	MULTICOLLINEARITY TEST	149
4.5	DESCRIPTIVE STATISTICS	151
4.6	RELIABILITY ANALYSIS	153
£, ¥	THE PROPOSED MODEL.....	155
4.8	REGRESSION ANALYSIS	157
4.9	REGRESSION WEIGHTS	159
4.10	COMPUTATIONS OF EFFECTS ON VARIABLES	164
4.10.1	Total effect	164
4.11	TESTING THE HYPOTHESES	173
4.11.1	Testing the hypotheses 1	173
4.11.2	Testing the hypotheses 2	173
4.11.3	Testing the hypotheses 3	173
4.11.4	Testing the hypotheses 4	174
4.11.5	Testing the hypotheses 5	174
4.11.6	Testing the hypotheses 6	174
4.11.7	Testing the hypotheses 7	175
4.11.8	Testing the hypotheses 8	175
4.11.9	Testing the hypotheses 9	175
4.11.10	Testing the hypotheses 10	176
£, ¥	SUMMARY OF TESTING HYPOTHESIS.....	176
£, ¥	CHAPTER SUMMARY	177
CHAPTER FIVE DISCUSSION, SUMMARY OF FINDINGS,		
RECOMMENDATIONS		179
5.1	INTRODUCTION.....	179
5.2	OVERVIEW OF THE FINDINGS OF THE STUDY.....	179
5.3	SUMMARY OF RESEARCH FINDINGS	181
5.4	DISCUSSION OF HYPOTHESES TESTING.....	183
5.4.1	Discussion Hypotheses One	183
5.4.2	Discussion Hypotheses Two	186
5.4.3	Discussion Hypotheses Three.....	189
5.4.4	Discussion Hypotheses Four.....	192
5.4.5	Discussion Hypotheses Five.....	196
5.4.6	Discussion hypotheses Six.....	200
5.4.7	Discussion hypotheses Seven.....	203

5.4.8	Discussion hypotheses Eight	207
5.4.9	Discussion hypotheses Nine.....	211
5.4.10	Discussion hypotheses Ten	214
5.5	RESEARCH IMPLICATIONS	218
5.5.1	Theoretical Implications	218
5.5.2	Practical Implications	219
5.6	LIMITATIONS.....	220
5.7	RECOMMENDATIONS FOR FUTURE RESEARCH.....	222
5.8	CONCLUSION	223
	REFERENCES	226
	APPENDIX: B	254

LIST OF TABLES

TABLE 2.1 LAWS AND LEGISLATIONS IN JORDAN	102
TABLE 2.2 JORDAN’S INVESTMENT FRAMEWORK AND ITS EXPECTED IMPACT ON FDI	107
TABLE 3.1 <i>POPULATION, SAMPLING FRAME, AND RESPONDENT SELECTION</i>	134
TABLE 4.1 DATA COLLECTED	142
TABLE 4.2 RESPONSE RATES.....	144
TABLE 4.3 DESCRIPTIVE STATISTICS.....	147
TABLE 4.4 MULTICOLLINEARITY TEST	150
TABLE 4.5 DESCRIPTIVE STATISTICS OF RESEARCH CONSTRUCTS	151
TABLE 4.6 RELIABILITY TEST	153
TABLE 4.7 RESEARCH HYPOTHESIS	156
TABLE 4.8 UNSTANDARDIZED MAXIMUM LIKELIHOOD ESTIMATES	160
TABLE 4.9 STANDARDIZED REGRESSION WEIGHTS	162
TABLE 4.10 STANDARDIZED TOTAL EFFECTS	164
TABLE 4.11 STANDARDIZED TOTAL EFFECTS WITH LOWER BOUNDS (BC)	166
TABLE 4.12 STANDARDIZED TOTAL EFFECTS WITH UPPER BOUNDS (BC).....	168
TABLE 4.13 STANDARDIZED TOTAL EFFECTS WITH TWO TAILED SIGNIFICANCE (BC).....	170
TABLE 4.14 SUMMARY OF TESTING HYPOTHESIS	176
TABLE 5.1 SUMMARY OF OBJECTIVES AND HYPOTHESES	180
TABLE 5.2 SUMMARY OF HYPOTHESIS TESTING	181

CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Foreign investments are of particular importance to most countries of the world because of their clear effects on strengthening and supporting the local economy by exploiting new capital, creating job opportunities, stimulating the economic market, and benefiting from the advantages and expertise of foreign investment owners¹. Therefore, it is useful to know what foreign investment is, its types, impact, and means of attracting investment². The simplified definition of foreign capital is money, securities, commercial goods, and machinery owned by natural people (individuals) or legal people (companies) who do not have the nationality of the host country³.

Foreign investment is divided according to the form and nature of investment into two types: direct and indirect investment⁴, where foreign direct investment (FDI) is defined as the investment that leads to the foreign investor's ownership of part or all of the investments in the project in addition to participating in the management of the project with the national investor, or it is full control of the foreign investor over management and organization in the case of absolute ownership of the investment project, where the foreign investor transfers capital, materials, technology, and technical expertise to countries⁵. FDI takes several forms, including joint investment, which represents an investment owned or permanently shared by two or more parties from two countries who share capital,

¹ Borensztein, E., De Gregorio, J., & Lee, J.W. (1998). How does foreign direct investment affect economic growth? *Journal of International Economics*, 45(1), 115–135. [https://doi.org/10.1016/S0022-1996\(97\)00033-0](https://doi.org/10.1016/S0022-1996(97)00033-0)

² de Mello, L. R. (1999). Foreign direct investment-led growth: Evidence from time series and panel data. *Oxford Economic Papers*, 51(1), 133–151. <https://doi.org/10.1093/oep/51.1.133>

³ Alfaro, L., Chanda, A., Kalemli-Ozcan, S., & Sayek, S. (2004). FDI and economic growth: The role of local financial markets. *Journal of International Economics*, 64(1), 89–112. [https://doi.org/10.1016/S0022-1996\(03\)00081-3](https://doi.org/10.1016/S0022-1996(03)00081-3)

⁴ Goldstein, I., & Razin, A. (2006). An information-based trade off between foreign direct investment and foreign portfolio investment. *Journal of International Economics*, 70(1), 271–295. <https://doi.org/10.1016/j.jinteco.2005.12.002>

⁵ Alfaro, L., & Charlton, A. (2009). Intra-industry foreign direct investment. *American Economic Review*, 99(5), 2096–2119. <https://doi.org/10.1257/aer.99.5.2096>

management, expertise, patents, or trademarks. And there is also the investment wholly owned by the investor that was established by the foreign investor or multinational companies through a branch of production, marketing, or any other type of product or service activity in the host country. Multinational companies, are a parent company that controls a large number of projects of different nationalities that have financial and human resources and at the same time follow a common strategy, and multinational companies are characterized by large size, diversity of products and activities, and technological superiority, while indirect foreign investment means investment portfolios, the purchase of shares and bonds and the ownership of individuals, bodies and companies of some securities in the financial market of the investee state without exercising any kind of control or control or Participation in the organization and management of the project, and not caring about the degree of influence, but the investor is interested in maintaining the safety of capital, and this type is considered a short-term investment compared to direct investment⁶.

The presence of a foreign investment in the host country has many positive effects⁷, as local investment leads to an increase in national income and thus leads to an increase in capital and an increase in the rate of economic growth⁸, and investment companies are working to raise the efficiency of the export sector in the host countries by transferring and localizing some industries⁹, due to: The relative decrease in the cost of labor and

⁶ Goldstein, I., & Razin, A. (2006). An information-based tradeoff between foreign direct investment and foreign portfolio investment. *Journal of International Economics*, 70(1), 271–295.

<https://doi.org/10.1016/j.jinteco.2005.12.002>

⁷ de Mello, L. R. (1999). Foreign direct investment-led growth: Evidence from time series and panel data. *Oxford Economic Papers*, 51(1), 133–151. <https://doi.org/10.1093/oep/51.1.133>

⁸ Borensztein, E., De Gregorio, J., & Lee, J.W. (1998). How does foreign direct investment affect economic growth? *Journal of International Economics*, 45(1), 115–135. [https://doi.org/10.1016/S0022-1996\(97\)00033-0](https://doi.org/10.1016/S0022-1996(97)00033-0)

⁹ Javorcik, B. S. (2004). Does foreign direct investment increase the productivity of domestic firms? In search of spillovers through backward linkages. *American Economic Review*, 94(3), 605–627. <https://doi.org/10.1257/0002828041464605>

transportation costs¹⁰, which leads to a reduction in product costs, which encourages an increase in exports¹¹.

Therefore, the countries of the world, especially the developing ones, seek to attract more foreign investments to eliminate or reduce the problem of unemployment, by expanding the base of foreign investment and developing laws and legislation that attract investors to stimulate productive projects and establish new projects to increase employment and achieve economic growth¹².

The Hashemite Kingdom of Jordan, like other countries, has developed many laws and regulations that contribute to attracting foreign investors, including the Companies Law and the Investment Law, as the Hashemite Kingdom of Jordan is full of many elements that attract investment such as the investment environment and incentives to encourage foreign investment, as the Kingdom seeks to gain and attract foreign investments by providing a wide range of investment incentives that have been made through the Companies Law and the Investment Law, which have a clear role in Encouraging foreign and local investment alike¹³, and encouraging investment through customs exemptions for investors, and one of the attractive elements for investment is the availability of raw materials in the country, and raw materials and fuels are among the most important raw materials that are available in the Kingdom, in addition to the presence of many minerals, and materials necessary for production, as well as there is the availability of agricultural raw materials, and there is also an infrastructure related to transportation and means of communication such as airports, ports and all modern communication facilities, including That landline, cellular, fax, telex, satellite telephones, and fast and integrated Internet.

¹⁰ Carr, D. L., Markusen, J. R., & Maskus, K. E. (2001). Estimating the knowledge-capital model of the multinational enterprise. *American Economic Review*, 91(3), 693–708.

<https://doi.org/10.1257/aer.91.3.693>

¹¹ Markusen, J. R., & Maskus, K. E. (2002). Discriminating among alternative theories of the multinational enterprise. *Review of International Economics*, 10(4), 694–707. <https://doi.org/10.1111/1467-9396.00359>

¹² Meyer, K. E. (2004). Perspectives on multinational enterprises in emerging economies. *Journal of International Business Studies*, 35(4), 259–276. <https://doi.org/10.1057/palgrave.jibs.8400084>

¹³ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.

<https://doi.org/10.1016/j.econmod.2014.12.027>

The Jordanian Companies Law No. 22 of 1997 ¹⁴, and the Jordanian Investment Law No. 21 of 2022 ¹⁵, honored the foreign investor, as it allowed the foreign investor to move freely and with the protection of the law and the state to perform his business, and gave him the freedom to transfer funds and profits and enter into various projects and also allows the import of machines and production tools unconditionally and with distinctive customs exemptions¹⁶, the existence of the Companies Law No. 22 of 1997 Investment Law No. 30 of 2014 ¹⁷, as a basic rule of Law No. 21 2022 is considered one of the most important incentives and attractive elements for investment the foreigner in the Hashemite Kingdom of Jordan¹⁸, as the Hashemite Kingdom of Jordan has the most important and most precious element, which is creative, serious, conscious and wise leadership, and it has an educated and highly qualified person who is able to coexist, deal and interact with various technologies and scientific developments, and who is able to bring Jordan to the ranks of developed countries by attracting investments and moving towards the future¹⁹.

Hence, the primary objective of this study is to delve into the various components and potential avenues essential for the attraction of foreign investments. This entails a meticulous examination of the ramifications of corporate and investment laws on the allure of foreign investments within the jurisdiction of the Hashemite Kingdom of Jordan, specifically from a legal standpoint.

1.2 PROBLEM STATEMENTS

Jordan's strategic geographical location as a corridor between Africa, Asia, and Europe allows investors and entrepreneurs to access a market of more than one billion consumers, moreover, the advanced and modern logistics infrastructure and facilities also help to provide access to these markets and pave the way for the transformation of the Hashemite Kingdom of Jordan into a logistics and commercial hub for the MENA region.

¹⁴ Jordan. *Companies Law No. 22 of 1997*.

¹⁵ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

¹⁶ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

¹⁷ Jordan. *Investment Law No. 30 of 2014*.

¹⁸ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

¹⁹ Khoury, T. A., & Peng, M. W. (2011). Does institutional reform of intellectual property rights lead to more inbound FDI? Evidence from Latin America and the Caribbean. *Journal of World Business*, 46(3), 337–345. <https://doi.org/10.1016/j.jwb.2010.07.015>

Jordan is one of the most investment-friendly countries in terms of economic risks, and its security risks are lower than other regional competitors, and despite the ongoing political and security challenges in the region, the Jordanian economy has remained resilient²⁰. The economy has benefited from the reform program in previous years in the areas of privatization and public financial management. Jordan's business environment has undergone significant and rapid changes in terms of its complexity and competitiveness in global markets, whereas in the Hashemite Kingdom of Jordan, high levels of trade freedom and freedom of investment maintain market openness, keeping the economy relatively competitive²¹. The growing demand for qualified labor and growing international competition for resources have forced Jordanian companies to remain flexible and become more resourceful²². Many sectors attract foreign investors in Jordan, according to official figures and statistics, perhaps the most prominent of these sectors are the financial sector, the industrial sector, the health care and pharmaceutical sector, the tourism and medical tourism sector, the information and communication technology sector, and major projects in water, renewable energy, and logistics²³.

Attracting, promoting, and sustaining foreign investment is complex – especially for any growing economy²⁴. Foreign investors can create jobs, bring in capital and technology, transfer knowledge, help local firms integrate into global value-added chains, and drive overall economic growth²⁵. However, these potential benefits do not materialize

²⁰ Elheddad, M. M. (2018). What determines FDI inflow to MENA countries? Empirical study on Gulf countries: Sectoral level analysis. *Research in International Business and Finance*, 44, 332–339.

<https://doi.org/10.1016/j.ribaf.2017.07.101>

²¹ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.

<https://doi.org/10.1016/j.econmod.2014.12.027>

²² Khoury, T. A., & Peng, M. W. (2011). Does institutional reform of intellectual property rights lead to more inbound FDI? Evidence from Latin America and the Caribbean. *Journal of World Business*, 46(3), 337–345. <https://doi.org/10.1016/j.jwb.2010.07.015>

²³ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.

<https://doi.org/10.1016/j.econmod.2014.12.027>

²⁴ Meyer, K. E., & Sinani, E. (2009). When and where does foreign direct investment generate positive spillovers? A meta-analysis. *Journal of International Business Studies*, 40(7), 1075–1094.

<https://doi.org/10.1057/jibs.2008.111>

²⁵ Alfaro, L., Chanda, A., Kalemli-Ozcan, S., & Sayek, S. (2004). FDI and economic growth: The role of local financial markets. *Journal of International Economics*, 64(1), 89–112. [https://doi.org/10.1016/S0022-1996\(03\)00081-3](https://doi.org/10.1016/S0022-1996(03)00081-3)

on their own, and they are also not guaranteed²⁶. Many variables have an impact when studying foreign investment strategy and associated policies, legislation, and laws, as different types of investments have different effects that must be studied²⁷. The aim of investment laws and policies is not to choose between domestic and foreign investment, but to link them through the value chain at the local, regional, and global levels²⁸. This means that regulatory reform should not only focus on domestic laws, but should also seek to achieve coherence between these laws and international investment agreements that increasingly govern production at the domestic and international levels²⁹, as an investment is not a deal, but a relationship and the investment policy strategy must go beyond the issue of attracting investments, this is just a small part of the matter, and the real benefits to the state come at a later stage in the investment relationship when the country succeeds. Concerned with retaining investment and building strong relationships with local business activities³⁰.

Therefore, the Jordanian government has worked to implement a set of different measures to support local companies and promote investment in the Kingdom, while maintaining a balance with its need to generate tax revenues, which constitute a large percentage of its annual budget, and thanks to the presence of relatively developed infrastructure and business-friendly facilities, the Jordanian economy is an attractive investment proposition that the government is working to promote through investment promotion laws that aim to maintain a certain amount of tax revenues and at the same time

²⁶ Meyer, K. E., & Sinani, E. (2009). When and where does foreign direct investment generate positive spillovers? A meta-analysis. *Journal of International Business Studies*, 40(7), 1075–1094.

<https://doi.org/10.1057/jibs.2008.111>

²⁷ Alfaro, L., & Charlton, A. (2009). Intra-industry foreign direct investment. *American Economic Review*, 99(5), 2096–2119. <https://doi.org/10.1257/aer.99.5.2096>

²⁸ Javorcik, B. S. (2004). Does foreign direct investment increase the productivity of domestic firms? In search of spillovers through backward linkages. *American Economic Review*, 94(3), 605–627.

<https://doi.org/10.1257/0002828041464605>

²⁹ Berger, A., Busse, M., Nunnenkamp, P., & Roy, M. (2013). Do trade and investment agreements lead to more FDI? Accounting for key provisions inside the black box. *International Economics and Economic Policy*, 10(2), 247–275. <https://doi.org/10.2139/ssrn.1838660>

³⁰ Meyer, K. E., & Sinani, E. (2009). When and where does foreign direct investment generate positive spillovers? A meta-analysis. *Journal of International Business Studies*, 40(7), 1075–1094.

<https://doi.org/10.1057/jibs.2008.111>

provide more competitive advantage that attracts investors and business owners alike³¹, as the government, in its quest to enhance the development and capacity of the economy, works to build on the achievements that have been made, specifically to enhance growth drivers and move forward with the economic reforms necessary to keep pace with current developments. Therefore, it seeks to develop and enhance Jordan's economic and social environment, to ensure sustainable progress and equitable distribution of development gains. The Jordan Investment Commission has also developed and launched a roadmap for investment opportunities that are characterized by several investment opportunities in a variety of sectors throughout the Jordanian governorates so that the economic needs and priorities of each governorate were considered separately when designing each of these opportunities, and large projects were identified that will bring approximately \$ 13.5 billion in new investment opportunities in the promising sectors in the country, namely energy, transportation, water, environment, and tourism, which will make Jordan An excellent hub for investments and the ideal gateway to the potential of the MENA region for future growth, development, and prosperity³².

Based on the above, and to implement the directions of the government in the Hashemite Kingdom of Jordan, it was necessary to have laws and legislations that attract investments, including the Companies Law No. 22 of 1997 ³³, and its subsequent amendments, the Investment Law No. 30 of 2014 ³⁴, and the Investment Law No. 21 of 2022 ³⁵, which we will focus on during this study along with the Companies Law No. 22 of 1997 and its subsequent amendments.

The new Investment Environment Law No. 21 of 2022, which was issued in the Official Gazette on October 16, 2022, has come into force, as the law that will replace Investment Law No. 30 of 2014 aims to provide a supportive environment for existing

³¹ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.

<https://doi.org/10.1016/j.econmod.2014.12.027>

³² Jordan Investment Commission. (2023). *Investment opportunities in Jordan / Investment map / roadmap*.

³³ Jordan. (1997). *Companies Law No. 22 of 1997*.

³⁴ Jordan. (2014). *Investment Law No. 30 of 2014*.

³⁵ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

investments³⁶, in addition to creating attractive conditions for investment in the implementation of the vision of economic modernization, which requires attracting investments and financing of approximately 40 billion dinars over the next ten years³⁷. The law stipulates equality between the Jordanian investor and the foreign investor, the protection of investments, the freedom to transfer funds, guarantees and incentive incentives related to the added value of investment (economic growth, job creation, export, knowledge, and technology transfer), as well as digitization and automation of procedures and services to overcome administrative and procedural obstacles, encouraging investment in strategic and entrepreneurial projects, innovation, research and development, and creating the appropriate environment for the development of small and medium enterprises³⁸.

The law also defines the advantages of investment in development zones and free zones and addresses the issue of settling investment contract disputes through arbitration by the agreed rules, and in the absence of an agreement, Jordanian law shall be applied, except for the rules of private international law, in addition to the formation of one or more committees in the Ministry of Investment to consider investors' grievances and verify the integrity of procedures and decisions issued by official authorities. The law also came up with "progressive" ideas and materials to create a new investment identity for Jordan and provides a legal framework to contribute directly to enabling the private sector to achieve and implement its investments in various economic sectors. The law sought to remove all bureaucratic and administrative obstacles to foreign investments, as well as provide incentives to attract and stimulate foreign investments and provide an operational and procedural framework that can conduct business with high ease, which will create an added value on the competitiveness of the Jordanian economy and the investment environment in general because the new law gave the Ministry of Investment broad powers to deal with various investments³⁹.

³⁶ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

³⁷ Jordan. (2022). *Economic Modernisation Vision*.

³⁸ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

³⁹ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

The Jordan Investment Commission has also developed and launched a roadmap for investment opportunities that are characterized by several investment opportunities in a variety of sectors throughout the Jordanian governorates so that the economic needs and priorities of each governorate were considered separately when designing each of these opportunities, and large projects were identified that will bring approximately \$ 13.5 billion in new investment opportunities in the promising sectors in the country, namely energy, transportation, water, environment, and tourism, which will make Jordan An excellent hub for investments and the ideal gateway to the potential of the MENA region for future growth, development, and prosperity⁴⁰. In addition to Investment Law, Companies Law is one of the most essential elements of the investment legislation system⁴¹. Encouraging investment requires simplifying procedures, clarity of legislation, moving away from individual jurisprudence, not restricting the principle of the authority of will, and not imposing government guardianship over the investment decision of shareholders in companies⁴². From another angle, the Companies Law can be used to curb the long-standing profiteering practices in the public shareholding sector, particularly those owned by the government or controlled by the government, the Social Security Corporation, and other state institutions⁴³.

Based on the above, the main problem of this study can be formulated in the following main question: How do the laws of companies and investment affect the development and attraction of foreign investments in the Hashemite Kingdom of Jordan from a legal point of view?

1.3 STUDY QUESTIONS

Through reviewing the relevant literature, an in-depth study and analysis of the laws of companies and investment in Jordan, and through studying the reality of foreign

⁴⁰ Jordan Investment Commission. (2023). *Investment opportunities roadmap in Jordan*.

⁴¹ Pistor, K., Raiser, M., & Gelfer, S. (2000). Law and finance in transition economies. *Economics of Transition*, 8(2), 325–368. <https://doi.org/10.1111/1468-0351.00047>

⁴² Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2006). The law and economics of self-dealing. *Journal of Financial Economics*, 88(3), 430–465. <https://doi.org/10.2139/ssrn.864645>

⁴³ Djankov, S., McLiesh, C., & Ramalho, R. M. (2006). Regulation and growth. *Economics Letters*, 92(3), 395–401. <https://doi.org/10.1016/j.econlet.2006.03.021>

companies listed in the Amman Stock Exchange, and clarifying the problem of the study, the researcher seeks through this study to answer the following sub-questions:

1. What are the legislations and laws related to foreign investors in the Hashemite Kingdom of Jordan?
2. What is the impact of the Corporate and Investment Law on attracting foreign investments in the Hashemite Kingdom of Jordan?
3. What are the incentives and benefits offered by the Jordanian government to foreign investors by the Companies and Investment Law?
- 4.1. What is the impact of corporate and investment laws on achieving social and economic justice and development?
- 5.2. What is the role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment?
- 6.3. How have the Companies and Investment Laws contributed to increasing the volume of foreign investments in the Amman Stock Exchange?
- 7.4. What role do legislative and executive bodies play in developing legislation that attracts foreign investment?
- 8.5. How appropriate is the legislative policy in attracting foreign investment?
- 9.6. What are the legal and judicial guarantees to protect and attract foreign investments?
- 10.7. What are the legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan?

1.4 STUDY OBJECTIVES

Through reviewing the relevant literature, an in-depth study and analysis of the laws of companies and investment in Jordan, and through studying the reality of foreign companies listed in the Amman Stock Exchange, and clarifying the problem of the study, and through the study questions, the researcher seeks through this study to achieve the following objectives:

1. Studying legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan.

2. Clarifying the impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan.
- ~~3.1.~~ Mention the incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law.
- ~~4.2.~~ Statement on the impact of the laws of companies and investment in achieving justice and social and economic development.
- ~~5.3.~~ Studying the role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.
- ~~6.4.~~ Know how the Companies and Investment Laws contribute to increasing the volume of foreign investments on the Amman Stock Exchange.
- ~~7.5.~~ Clarify the role played by legislative and executive bodies in developing legislation that attracts foreign investments.
- ~~8.6.~~ Studying the appropriateness of legislative policy in attracting foreign investments.
- ~~9.7.~~ Know the legal and judicial guarantees to protect and attract foreign investments.
- ~~10.8.~~ Clarify the legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan.

1.5 STUDY HYPOTHESES

Based on the study's problem, questions, and objectives, the following hypotheses were formulated:

1. The presence of comprehensive and transparent legislation governing foreign investment in the Hashemite Kingdom of Jordan is expected to positively influence investors' confidence and willingness to enter the Jordanian market.
2. The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making
3. Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows.

4. The implementation of the Companies and Investment Laws contributes to the realization of justice, equity, and sustainable socio-economic development, thereby reinforcing the legitimacy and long-term stability of the investment environment.
5. Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment.
6. The integration of Companies and Investment Law provisions within the financial market framework, particularly the Amman Stock Exchange, is expected to facilitate capital mobility and increase the volume of foreign portfolio investments.
7. The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends.
8. The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty.
9. Robust legal and judicial guarantees including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows.
10. Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan.

1.6 STUDY IMPORTANCE

The Government of the Hashemite Kingdom of Jordan seeks to promote investment so that the laws and legislation governing investment are compatible with Jordan's economic development policies, through Jordan's vision of development and prosperity, through which Jordan seeks to reverse the decline in the country's relative competitiveness through a set of priority initiatives, these initiatives are designed to introduce improvements and enhancements in four key areas: society as a whole, citizens as individuals, government

and governance, and the business environment⁴⁴. Because of its importance in stimulating and attracting private sector investments to achieve the vision and transformation in Jordan, through the development of legislation, laws, and regulations that encourage foreign investments⁴⁵. The Investment Law supports the Jordanian government's goal of driving the economy towards stability and attracting foreign investors, in addition to the company's law⁴⁶.

The law provides a wide range of exemptions and deductions on income tax, sales tax, and customs duties for investments inside or outside development zones and free zones; not only that, but the law classifies the materials necessary for the implementation of economic activity in tables⁴⁷. Jordan intends to be a thriving global business hub looking to share in the growing opportunities available across the Middle East, leveraging its location as a crossroads for key trade routes linking Jordan to Iraq, Syria, and Saudi Arabia. Therefore, the future vision is based on improving the appropriate environment for several elements to increase the production capacity of the various governorates based on the competitive advantage of each of them to attract investments that are interested in establishing their bases in Jordan and working in neighboring countries⁴⁸.

Thus, the significance of this study resonates profoundly both in theoretical realms and practical applications. Theoretically, this research stands poised to enrich legal scholarship and theoretical frameworks pertinent to investment studies, thereby fostering the evolution of a robust legal framework grounded in existing legislation and laws. On the practical front, its importance is underscored by its potential to inform and guide legislative bodies in the enhancement, refinement, and development of legislation pertaining to foreign investments. Moreover, it has the potential to streamline regulatory processes, thereby simplifying them to bolster the attraction of foreign investments. Concurrently, it holds the promise of galvanizing executive authorities into action, prompting them to enforce these legislative mandates rigorously. This entails facilitating procedural ease, expediting the

⁴⁴ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.
<https://doi.org/10.1016/j.econmod.2014.12.027>

⁴⁵ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

⁴⁶ Jordan. (1997). *Companies Law No. 22 of 1997*.

⁴⁷ Jordan. (2022). *Investment Environment Law No. 21 of 2022*.

⁴⁸ Jordan Investment Commission. (2023). *Investment opportunities roadmap in Jordan*.

issuance of requisite licenses and approvals for investors, and endowing them with incentives and privileges conducive to amplifying the magnitude of investment inflows.

1.7 DEFINITION OF TERMS

1. **Law:** A set of abstract general rules aimed at regulating the behavior of individuals within society, accompanied by a sanction imposed by the public authority forcibly on those who violate them. This definition also includes the rules in force in society, even if they are custom, religion, jurisprudence, or the judiciary⁴⁹.
2. **Investment:** It means the purchase of valuable assets, called capital assets, that the investor buys based on expectations of them either, that their value will increase over time, or because they are convinced that they will provide a new source of income, or they achieve both, their value increases over time, providing a new source of income⁵⁰.
3. **Company:** A reciprocal contract, whereby two or several people participate in something, to divide the resulting profit. Commercial companies are divided into two types: companies of persons and companies of funds. Companies of people are those that are based on personal consideration and mutual trust between partners. It includes partnership companies and limited partnership companies and maybe a local or foreign company⁵¹.
4. **Foreign companies:** It is a non-Jordanian company registered outside Jordan, based in another country, which operates in Jordan under a license granted to it by the competent authorities, and examples of these companies are foreign banks operating in Jordan and insurance companies⁵².
5. **Indirect foreign investment:** It is investment in securities, through the ownership of securities by individuals, companies, and banks of securities such as shares and bonds without exercising any kind of control or control over the investment project. It is usually short-term compared to FDI, which is long-term⁵³.

⁴⁹ Dias, R. W. M. (1985). *Jurisprudence* (5th ed.). London, UK: Butterworths.

⁵⁰ OECD. (2023). *OECD benchmark definition of foreign direct investment* (5th ed.). OECD Publishing.

⁵¹ Jordan. (1997). *Companies Law No. 22 of 1997*.

⁵² Jordan. (1997). *Companies Law No. 22 of 1997*.

⁵³ Goldstein, I., & Razin, A. (2006). An information-based trade off between foreign direct investment and foreign portfolio investment. *Journal of International Economics*, 70(1), 271–295.

<https://doi.org/10.1016/j.jinteco.2005.12.002>

- 6. Foreign Direct Investment:** International capital movements that seek to establish, develop, or maintain other foreign subsidiaries and (or) exert control (or substantial influence) over the management of the foreign company⁵⁴.

1.8 STRUCTURE OF THE STUDY

The research structure comprises five distinct chapters, each serving a specific purpose in advancing the study's objectives. The first chapter serves as the introductory section, elucidating the background, problem statement, objectives, research questions, hypotheses, significance, and structure of the study. Additionally, this chapter delineates procedural definitions crucial for understanding the research context and concludes with a summary encapsulating its key elements.

Moving on to the second chapter, it constitutes a comprehensive literature review encompassing the theoretical framework and a synthesis of relevant studies. This section delves into the nuances of Jordanian corporate law, investment legislation in Jordan, the dynamics of foreign investments within the nation, the functioning of the Amman Financial Market, as well as a critical review of prior research. Furthermore, this chapter identifies gaps in existing literature, laying the groundwork for the study's contribution to the field.

The third chapter is dedicated to elucidating the research methodology, encompassing study design, population, sample selection, research tool development, data collection methods, statistical treatments employed, and insights gleaned from a pilot study. This section provides a detailed overview of the methodological approach adopted, ensuring transparency and replicability of the research process.

In the subsequent chapter, the focus shifts towards the presentation and analysis of research findings. This section incorporates demographic data analysis, deviation and dispersion analysis, validity and reliability assessments, multiple regression analysis, and hypothesis testing. Through meticulous analysis, this chapter elucidates the implications of the research findings and their alignment with the study's hypotheses.

⁵⁴ OECD. (2023). *OECD benchmark definition of foreign direct investment* (5th ed.). OECD Publishing.

Finally, the fifth chapter serves as the culmination of the study, encapsulating the conclusion and recommendations derived from the research endeavor. It comprises a comprehensive discussion of the study's findings, its contribution to the existing body of knowledge, limitations encountered during the research process, and recommendations for future research endeavors. This chapter offers a holistic synthesis of the research journey, culminating in a conclusive reflection on the study's outcomes and avenues for further exploration.

1.9 CHAPTER SUMMARY

This comprehensive study embarks on a detailed exploration of the intricate interplay between corporate and investment laws, examining their profound impact on the attraction of foreign investments within the esteemed jurisdiction of the Hashemite Kingdom of Jordan. Anchored in a meticulous legal perspective, this chapter serves as a foundational platform, elucidating the significance of the study, articulating its underlying problem statement, delineating the study's objectives, and elucidating its profound importance. Pertinent questions are posed, and hypotheses are formulated for rigorous investigation. Moreover, this chapter delves into a detailed exposition of the primary objectives, providing comprehensive insights alongside an explication of key terminologies crucial for a nuanced understanding of the subsequent discourse.

This comprehensive study embarks on a detailed exploration of the intricate interplay between corporate and investment laws, meticulously dissecting their profound impact on the attraction of foreign investments within the esteemed jurisdiction of the Hashemite Kingdom of Jordan. Firmly anchored in a rigorous legal perspective, this chapter serves as an indispensable foundational platform, elucidating not only the significance of the study but also articulating its underlying statement with utmost clarity. In addition to delineating the study's multifaceted objectives, it meticulously highlights the profound importance of the research endeavor, shedding light on its potential implications for legal scholarship and practical policymaking alike.

Within the confines of this chapter, pertinent questions are posed, carefully crafted to guide the research journey towards illuminating insights and actionable conclusions. Furthermore, hypotheses are formulated with precision, laying the groundwork for

systematic investigation and empirical analysis. Moreover, beyond merely setting the stage for subsequent chapters, this foundational section offers a thorough exposition of the primary objectives, providing readers with a comprehensive roadmap to navigate the intricate terrain of corporate and investment law in the context of Jordan.

Crucially, this chapter goes beyond surface-level exposition, delving into the nuances of key terminologies essential for a robust comprehension of the subsequent discourse. By elucidating foundational concepts and theoretical frameworks, it empowers readers to engage critically with the complex legal dynamics at play. In essence, this chapter serves as a beacon, guiding both scholars and practitioners alike through the labyrinthine realm of corporate and investment law in Jordan, setting the stage for a rigorous and enlightening exploration in the chapters that follow.

Having established the rationale and scope of the research, the next chapter provides a comprehensive review of the theoretical and empirical literature. It examines global and regional studies on the relationship between legal frameworks and FDI, situating Jordan's experience within broader international perspectives. This theoretical foundation forms the conceptual basis for the methodological design and data analysis that follow.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Embedded within this pivotal chapter lies the bedrock of the study's theoretical framework, providing a robust foundation for unraveling the intricate ramifications of Jordanian corporate and investment laws on the allure of foreign investments. A primary objective is to meticulously navigate the regulatory landscape enveloping these laws, encapsulating the essence of pertinent regulations and legislation governing corporate and investment activities. Furthermore, this chapter endeavors to embark on an exhaustive

exploration of the Jordanian milieu, meticulously addressing all legal and legislative facets pertinent to foreign investment within the esteemed domain of the Hashemite Kingdom of Jordan. Through a nuanced examination of these elements, the research aims to cultivate a comprehensive understanding of the regulatory environment and its profound impact on foreign investments.

By delving into the intricacies of Jordanian corporate and investment laws, this chapter lays the groundwork for subsequent analyses, poised to unearth insights crucial for policymakers, legal practitioners, and stakeholders invested in fostering a conducive environment for foreign investments. Through meticulous scrutiny and rigorous examination, this chapter paves the way for a deeper comprehension of the interplay between legal frameworks and foreign investment dynamics within the context of Jordan, thus setting the stage for substantive discourse in the chapters that ensue.

2.2 THEORETICAL FRAMEWORK OF FDI Attraction

2.2.1 The Institutional Theory

Institutional theory offers a compelling analytical framework for understanding foreign direct investment (FDI) as a phenomenon shaped not solely by market size, cost advantages, or fiscal incentives, but also by the quality of the host country's legal and regulatory order. At the core of this perspective lies the proposition that foreign investors are generally more inclined to enter and remain in jurisdictions characterized by legislative stability, clarity of legal rules, effective enforceability, and reduced legal uncertainty. In this sense, the investment decision is not merely an economic calculation; it is equally a judgment about the reliability, predictability, and credibility of the institutional environment within which the investment will operate⁵⁵.

This proposition finds its classical foundation in the work of Douglass North (1990), who argued that institutions both formal, such as laws, constitutions, and regulations, and informal, such as norms and established practices shape transaction costs and determine the predictability of economic exchange. From this standpoint, a well-functioning institutional

⁵⁵ Meyer, K. E., & Nguyen, H. V. (2005). Foreign investment strategies and sub-national institutions in emerging markets: Evidence from Vietnam. *Journal of Management Studies*, 42(1), 63–93.
<https://doi.org/10.1111/j.1467-6486.2005.00489.x>

structure enhances investor confidence because it provides a stable framework within which rights can be protected, contracts can be enforced, and government action can be anticipated with reasonable certainty. The stronger the institutional environment, the lower the level of uncertainty confronting the investor, and the greater the willingness to commit capital on a long-term basis⁵⁶.

Empirical scholarship has consistently reinforced this theoretical claim. Globerman and Shapiro (2002) demonstrated that governance infrastructure including regulatory quality, rule of law, and administrative effectiveness constitutes a major determinant of FDI inflows⁵⁷, while Meyer and Nguyen (2005) showed that institutional quality at the sub-national level significantly shapes foreign investors' strategic choices in emerging markets⁵⁸. More recently, Akbakay (2026) confirmed that policy uncertainty exerts a negative effect on FDI attractiveness, but that this effect is moderated where institutional quality is strong. Taken together, these studies support the conclusion that investors systematically favor legal environments where the rules are transparent, the procedures are consistent, and implementation is not undermined by arbitrariness or institutional fragility⁵⁹.

Within this framework, legislative stability occupies a central place. Frequent legal change, inconsistent amendments, or contradictory administrative practices may signal risk to foreign investors, even where formal incentives appear attractive. By contrast, a stable legislative framework allows investors to predict the legal consequences of their decisions and to plan their activities with greater confidence. Likewise, the clarity of legal rules is indispensable. Investors are more likely to respond positively to laws that define rights, obligations, procedures, and guarantees in precise and accessible terms, rather than leaving critical matters open to broad discretion or conflicting interpretation. Enforceability is

⁵⁶ North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press. <https://doi.org/10.1017/CBO9780511808678>

⁵⁷ Globerman, S., & Shapiro, D. (2002). Global foreign direct investment flows: The role of governance infrastructure. *World Development*, 30(11), 1899–1919. [https://doi.org/10.1016/S0305-750X\(02\)00110-9](https://doi.org/10.1016/S0305-750X(02)00110-9)

⁵⁸ Meyer, K. E., & Nguyen, H. V. (2005). Foreign investment strategies and sub-national institutions in emerging markets: Evidence from Vietnam. *Journal of Management Studies*, 42(1), 63–93. <https://doi.org/10.1111/j.1467-6486.2005.00489.x>

⁵⁹ Akbakay, Z. (2026). Policy uncertainty and foreign direct investment: The moderating role of institutional quality. *Ekonomika*.

equally decisive, because legal protection derives its practical value not from textual recognition alone, but from the actual capacity of institutions and courts to implement the law efficiently and consistently. It is the interaction of these elements' stability, clarity, and enforceability that ultimately reduces legal uncertainty and strengthens the attractiveness of the host state⁶⁰.

In the context of the present study, institutional theory provides a direct explanation for why the quality of the Jordanian Companies Law and the Investment Law may significantly affect both the foreign investor's initial decision to enter the Jordanian market and the subsequent decision to maintain or expand investment activity. These laws do not merely regulate incorporation and incentives in a formal sense; rather, they function as institutional signals that communicate the degree of legal certainty available in the host state. Where the Companies Law clearly regulates ownership structures, governance arrangements, registration procedures, and shareholder protections, and where the Investment Law secures guarantees relating to investor protection, transfer of profits, dispute settlement, and administrative facilitation, the legal environment becomes more predictable and therefore more attractive to foreign capital. Conversely, any ambiguity in these legal regimes, or inconsistency in their practical application, may elevate transaction costs and discourage long-term investor commitment.

This interpretation is particularly relevant to Jordan, where the effectiveness of investment-related legislation depends not only on the existence of statutory protections, but also on their consistency, coherence, and implementation in practice. In this regard, the institutional perspective supports the argument that strengthening the rule of law, reducing administrative discretion, and ensuring harmony between the Companies Law and the Investment Law are not secondary legal refinements; they are central requirements for enhancing Jordan's competitiveness as a destination for FDI. This reading is also consistent with the broader analytical direction of your thesis, which later shows that legal

⁶⁰ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

predictability, judicial guarantees, policy coherence, and institutional coordination are among the strongest explanatory factors influencing FDI attraction in Jordan⁶¹.

Accordingly, institutional theory is especially valuable for this study because it explains that foreign investors prefer environments in which legal outcomes are foreseeable, rights are effectively protected, and administrative practice is disciplined by coherent legislation. It follows that the quality of the Companies Law and the Investment Law in Jordan measured in terms of stability, clarity, and enforceability has a direct bearing on investor confidence, market-entry decisions, and the continuity of foreign investment over time.

Based on this perspective, the present study examines whether the Jordanian Companies Law and Investment Law provide the degree of legislative stability, legal clarity, and enforceability necessary to reduce legal uncertainty and enhance foreign investors' decisions to enter and continue investing in Jordan.

2.2.2 The Legal-Incentive Theory

The legal-incentive approach provides an important theoretical lens for understanding how foreign direct investment is influenced not only by economic fundamentals, but also by the legal tools through which the host state actively shapes the investment environment. This perspective rests on the assumption that legislative provisions can operate as deliberate instruments for attracting foreign capital when they reduce the costs, risks, and uncertainties associated with investment decisions. In this sense, the law is not confined to a regulatory or prohibitive function; rather, it assumes a facilitative and promotional role by creating a legally protected and economically attractive framework within which foreign investors are more willing to enter and operate⁶².

From this standpoint, legal incentives include a wide range of codified protections and advantages that directly affect investor calculations. These include tax and customs exemptions, legal guarantees against arbitrary interference, freedom to transfer profits and

⁶¹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

⁶² Aniodoh, A. A. (2025). Foreign direct investment and international law: Liberalization and economic sovereignty.

capital, simplified licensing and registration procedures, and effective mechanisms for dispute settlement. Collectively, such legal devices reduce both the financial cost of market entry and the perceived legal and administrative risks of doing business in the host state. As a result, they enhance the attractiveness of the legal environment by assuring investors that their rights, returns, and operational continuity will be protected by enforceable legal rules rather than left vulnerable to administrative uncertainty or discretionary intervention.

This approach is strongly supported in contemporary investment law scholarship. Collins (2023) explains that investment protection rules, including guarantees of fair treatment, protection against unlawful expropriation, and access to reliable dispute-settlement procedures, function as core legal assurances that shape investor confidence⁶³. Similarly, Aniodoh (2025) emphasizes that the international legal framework governing foreign investment reflects an ongoing balance between liberalization and economic sovereignty, whereby states use legal instruments not only to regulate foreign investment but also to attract it through credible commitments⁶⁴. In the same direction, Ayele, Belete, and te Velde (2023) show that regional investment frameworks and treaty-based commitments strengthen investment climates by offering predictable standards and reducing regulatory uncertainty across jurisdictions⁶⁵.

A central contribution of the legal-incentive approach is that it explains why legal texts themselves matter to investors. Exemptions lower operational and establishment costs; guarantees reduce the fear of expropriation or discriminatory treatment; the freedom to repatriate profits provides liquidity and financial reassurance; simplified licensing procedures reduce delay and transaction costs; and dispute-settlement mechanisms, particularly those based on arbitration or internationally recognized procedures, reduce the risk that conflicts will remain unresolved or be handled unpredictably⁶⁶. Thus, these legal

⁶³ Collins, D. (2023). *An introduction to international investment law*. Cambridge University Press.

⁶⁴ Aniodoh, A. A. (2025). *Foreign direct investment and international law: Liberalization and economic sovereignty*.

⁶⁵ Ayele, Y., Belete, M., & te Velde, D. W. (2023). *The AfCFTA Protocol on Investment: Issues and potential impacts*. Overseas Development Institute.

⁶⁶ Nazzari, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*.
<https://doi.org/10.1177/21582440261431268>

provisions do not merely accompany investment policy they constitute substantive signals that the host state is committed to maintaining an investor-friendly environment⁶⁷.

In the Jordanian context, this perspective is particularly useful for evaluating the role of the Companies Law and the Investment Law as instruments of attraction rather than merely instruments of regulation. The effectiveness of Jordan's legislative framework depends not only on whether it grants formal rights to foreign investors, but also on whether those rights are structured in a way that lowers investment costs and mitigates legal risk in practice. Where the law offers exemptions, secures procedural facilitation, protects the movement of capital and profits, and provides credible avenues for resolving disputes, it contributes directly to improving the attractiveness of Jordan as a destination for foreign investment. This reading is supported by Helalat (2022), who demonstrated that legal guarantees for the protection of foreign investment in Jordan are central to investor confidence, particularly when linked to enforceability, procedural fairness, and consistency with international standards⁶⁸.

Moreover, the legal-incentive approach recognizes that domestic legislation operates alongside international legal commitments. Bilateral investment treaties, double-taxation agreements, and broader investment frameworks reinforce the legal assurances available to investors by binding the state to standards of transparency, due process, and fair treatment. In this regard, national legislation that aligns with international investment norms sends a strong signal of legal credibility and policy seriousness. For Jordan, such alignment enhances investor trust by showing that domestic reforms are not isolated measures, but part of a broader commitment to a predictable and internationally compatible investment regime.

Accordingly, the legal-incentive approach offers a persuasive explanation for the present study: legal provisions such as exemptions, guarantees, freedom of profit repatriation, facilitation of licensing, and structured dispute-resolution mechanisms are not peripheral legal details, but central instruments through which the state reduces investment

⁶⁷ Liu, K. (2024). China's direct investment in Indonesia (1990–2022). In *China and Southeast Asia: Economic Cooperation and Risks*. Springer. <https://doi.org/10.1007/978-981-97-7328-2>

⁶⁸ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

cost, manages investor risk, and strengthens the attractiveness of its legal system. On this basis, the present research examines the extent to which the Jordanian Companies Law and Investment Law function as legally embedded incentives capable of influencing foreign investors' decisions to enter, remain, and expand within the Jordanian market.

Based on the legal-incentive approach, the present study assesses whether the exemptions, guarantees, procedural facilitation, profit-repatriation rights, and dispute-settlement mechanisms provided under Jordanian law operate as effective legal instruments for reducing investment risk and enhancing the attractiveness of the Jordanian investment environment.

2.2.3 Dunning's Eclectic Paradigm (OLI Model)

Dunning's Eclectic Paradigm remains one of the most influential frameworks for explaining foreign direct investment (FDI), as it links multinational investment decisions to the combined presence of Ownership, Location, and Internalization advantages. While the model in its full form addresses firm-specific assets and internal organizational choices, the present study draws primarily on its Location dimension, since this component is especially useful for explaining how the characteristics of the host state shape its attractiveness to foreign investors. In simplified terms, foreign investors are more likely to choose a particular country when it offers favorable location-specific advantages that reduce risk, improve operational efficiency, and enhance the expected return on investment⁶⁹.

From this perspective, location advantages do not refer only to geography in the narrow sense, but to a broader set of attributes that define the investment climate of the host country. These include strategic location, political and economic stability, the quality of the legal framework, the availability of incentives, and the strength of institutional infrastructure. Dunning (1980) originally identified location as one of the three core pillars explaining why firms engage in FDI, and subsequent applications of the model have shown that legal and regulatory conditions are central to this locational appeal. Thus, a country's

⁶⁹ Dunning, J. H. (1980). Toward an eclectic theory of international production: Some empirical tests. *Journal of International Business Studies*, 11(1), 9–31. <https://doi.org/10.1057/palgrave.jibs.8490593>

attractiveness is shaped not merely by where it is situated, but by the reliability of the environment within which foreign capital is expected to operate.

In the context of the present study, this approach is particularly valuable because it allows the legal dimension to be incorporated directly into the analysis of investment attraction. The legal framework, including the Companies Law and the Investment Law, can be understood as part of Jordan's location-specific advantages. Where the law ensures legislative clarity, investor protection, procedural facilitation, effective dispute settlement, and transparent governance, it enhances Jordan's locational attractiveness in much the same way that market access or strategic geography would. In other words, the law is not external to the investment climate; it forms an integral part of the competitive advantages that may encourage or discourage FDI.

This interpretation becomes even more useful when the "Location" component is unpacked into concrete elements relevant to Jordan. First, location in the geographic sense remains important, as Jordan occupies a strategic regional position connecting major Middle Eastern markets. Second, political, legal, and regulatory stability is essential because investors generally prefer environments where rules do not change unpredictably and where business operations can be planned with confidence. Third, the legal framework itself constitutes a locational asset when it provides clear corporate rules, secure investment guarantees, and credible enforcement mechanisms. Fourth, incentives such as tax exemptions, customs privileges, and procedural simplification improve the cost-benefit calculation of investment. Finally, institutional infrastructure including administrative efficiency, regulatory coordination, and dispute-resolution capacity determines whether these formal legal and economic advantages can be translated into practical investor confidence.

Later developments in the OLI paradigm also support this broader reading. The framework has increasingly been used in ways that recognize the importance of institutional development, regulatory quality, and strategic competitiveness in shaping locational advantage⁷⁰. This is particularly relevant for Jordan, where the ability to attract

⁷⁰ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*. <https://doi.org/10.1177/21582440261431268>

FDI depends not only on traditional factors such as market size or labor availability, but also on the coherence of its legal reforms and the credibility of its institutions. Recent discussion elsewhere in your thesis similarly confirms that legal predictability, judicial guarantees, institutional coordination, and policy coherence function as practical determinants of investor behavior in Jordan.

Accordingly, the simplified use of Dunning's OLI model in this study serves a clear analytical purpose: it frames the Jordanian legal system especially the Companies Law and the Investment Law as part of the host country's location-specific advantages. Through this lens, the law contributes to FDI attraction when it strengthens stability, reduces uncertainty, improves procedural efficiency, and increases the overall competitiveness of the investment climate. The value of this approach lies in showing that legislation is not merely a background regulatory matter, but a substantive component of the locational conditions upon which foreign investors base their entry and continuation decisions⁷¹.

Based on this simplified OLI perspective, the present study treats the Jordanian Companies Law and Investment Law as part of Jordan's location-specific advantages, examining whether they enhance the country's attractiveness to foreign investors through legal stability, institutional quality, and investment facilitation.

2.2.4 The Neoliberal Theory

The neoliberal perspective conceptualizes foreign direct investment (FDI) as a natural extension of market liberalization, viewing cross-border investment flows as largely driven by the freedom of capital movement, deregulation, trade openness, and competitive market structures⁷². From this perspective, multinational enterprises invest abroad in order to maximize efficiency, reduce production and transaction costs, and exploit opportunities created by open and liberalized economies. Neoliberal thought therefore assumes that reducing government intervention, privatizing state-owned enterprises, and liberalizing trade and financial regimes are all measures that encourage the inflow of foreign capital,

⁷¹ Arogundade, S., Mduduzi, B., Oyadeyi, O. O., et al. (2026). Institutional governance and global FDI convergence: Examining the impact of institutional quality on investment flows. *Journal of Public Affairs*. <https://doi.org/10.1002/pa.70116>

⁷² Hayakawa, K., & Kimura, F. (2021). Firm heterogeneity and foreign direct investment: A survey. *Journal of Asian Economics*, 74, 101312. <https://doi.org/10.1016/j.asieco.2021.101312>

while the state's role should be confined primarily to maintaining macroeconomic stability and protecting property rights⁷³. This understanding is also reflected in your current theoretical chapter, where neoliberalism is presented as linking FDI to openness, deregulation, and competition.

Within this framework, legal and regulatory reform is not viewed as separate from market liberalization, but rather as one of its central instruments. Competitive legal frameworks such as simplified company registration procedures, transparent taxation, reduced bureaucratic barriers, and investor-friendly dispute-resolution systems function as signals of institutional credibility and market readiness⁷⁴. Countries that adopt such reforms tend to appear more attractive to foreign investors because they reduce entry costs, improve procedural predictability, and create a more efficient business climate. In this regard, empirical findings cited in your draft also note that liberalized economies generally receive stronger FDI inflows than more restrictive systems, particularly when legal reforms are paired with administrative facilitation.

This perspective is particularly relevant in the Middle East and North Africa (MENA) region, where recent reforms in investment legislation have increasingly moved toward market-oriented adjustment and legal modernization. Nazzal, Sánchez Rebull, and Niñerola (2026) show that openness and reform-oriented policy environments remain important determinants of FDI in MENA economies⁷⁵, while Helalat (2022) demonstrates that the credibility of legal guarantees in Jordan plays an important role in strengthening investor confidence. In Jordan specifically, efforts to simplify licensing procedures, reduce bureaucracy, and align investment regulation with internationally recognized legal standards may therefore be understood within a broader neoliberal logic that assumes investors respond positively to environments characterized by lower administrative

⁷³ Tawakkol, L. (2025). De/stabilizing capitalism in the Middle East? Infrastructure, uneven development and the humanitarian-development nexus in Jordan and Lebanon. *Review of International Political Economy*. <https://doi.org/10.1080/09692290.2025.2604839>

⁷⁴ OECD. (2022). FDI in figures: October 2022. Organisation for Economic Co-operation and Development.

⁷⁵ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*, 16(1). <https://doi.org/10.1177/21582440261431268>

burdens and clearer market rules⁷⁶. This same direction is visible in the structure of your chapter, where Jordan's procedural simplification is treated as part of an investor-oriented reform path.

At the same time, the neoliberal perspective should not be treated as a complete explanation on its own. Although it provides a useful framework for understanding why deregulation, openness, and competition can enhance FDI attraction, it has been criticized for placing excessive emphasis on economic incentives while underestimating institutional depth, governance quality, and social constraints⁷⁷. For that reason, neoliberalism is best used in this study as one theoretical lens among others: it helps explain why Jordan's reforms aimed at reducing bureaucracy and improving the business environment are expected to attract foreign investors, but it does not by itself fully account for the importance of legal certainty, administrative consistency, and institutional credibility over time.

Accordingly, the neoliberal perspective offers an important starting point for the present study because it clarifies why foreign investors are expected to respond positively to open, liberalized, and procedurally efficient legal environments. It also helps explain why reforms in the Jordanian Companies Law and Investment Law particularly those aimed at simplification, facilitation, and investor friendliness may contribute to enhancing Jordan's attractiveness as a destination for foreign direct investment.

Based on the neoliberal perspective, the present study examines whether Jordan's legal and procedural reforms have contributed to creating a more open, efficient, and investor-friendly environment capable of attracting foreign direct investment.

2.3 Empirical Literature on FDI and Legal Frameworks

2.3.1 International Literature

International literature on foreign direct investment (FDI) increasingly demonstrates that investment decisions are shaped not only by macroeconomic

⁷⁶ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

⁷⁷ Stiglitz, J. E. (2019). *People, power, and profits: Progressive capitalism for an age of discontent*. W. W. Norton & Company.

fundamentals such as market size, labor costs, and trade openness, but also by the legal and institutional quality of the host state. Earlier approaches often treated FDI as primarily driven by efficiency-seeking or market-seeking motives; however, a substantial body of later scholarship has shown that these economic factors alone are insufficient to sustain investment inflows unless they are supported by a stable and credible institutional environment. In this regard, Dunning's eclectic paradigm remains highly relevant because it identifies "location advantages" as a central determinant of FDI, thereby allowing the legal and regulatory environment of the host country to be understood as part of the conditions that attract or deter foreign capital⁷⁸. This broader analytical direction is reinforced by the view that the benefits of FDI depend not merely on capital entry, but on domestic absorptive capacity, policy quality, and institutional readiness⁷⁹.

A major stream of international scholarship has therefore focused on the role of institutional quality in shaping FDI inflows. North (1990) argued that institutions determine transaction costs and the predictability of economic life, making them central to the confidence of investors operating across borders⁸⁰. In the same direction, Globerman and Shapiro (2002) demonstrated that governance infrastructure, including rule of law, regulatory quality, government effectiveness, and political stability, is a powerful determinant of international investment flows⁸¹. Meyer and Nguyen (2005) further showed that institutional quality at the sub-national level significantly affects foreign investors' strategic choices in emerging markets⁸², while more recent studies have confirmed that policy uncertainty reduces investment attractiveness unless it is offset by strong institutional quality and coherent public policy⁸³. Collectively, these studies support the

⁷⁸ Dunning, J. H. (1980). Toward an eclectic theory of international production: Some empirical tests. *Journal of International Business Studies*, 11(1), 9–31. <https://doi.org/10.1057/palgrave.jibs.8490593>

⁷⁹ Alfaro, L., Chanda, A., Kalemli-Ozcan, S., & Sayek, S. (2004). FDI and economic growth: The role of local financial markets. *Journal of International Economics*, 64(1), 89–112. [https://doi.org/10.1016/S0022-1996\(03\)00081-3](https://doi.org/10.1016/S0022-1996(03)00081-3)

⁸⁰ North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press. <https://doi.org/10.1017/CBO9780511808678>

⁸¹ Globerman, S., & Shapiro, D. (2002). Global foreign direct investment flows: The role of governance infrastructure. *World Development*, 30(11), 1899–1919. [https://doi.org/10.1016/S0305-750X\(02\)00110-9](https://doi.org/10.1016/S0305-750X(02)00110-9)

⁸² Meyer, K. E., & Nguyen, H. V. (2005). Foreign investment strategies and sub-national institutions in emerging markets: Evidence from Vietnam. *Journal of Management Studies*, 42(1), 63–93. <https://doi.org/10.1111/j.1467-6486.2005.00489.x>

⁸³ Akbakay, Z. (2026). Policy uncertainty and foreign direct investment: The moderating role of institutional quality. *Ekonomika*.

conclusion that rule of law, regulatory quality, political stability, and contract enforcement are not peripheral variables in FDI analysis; rather, they form the institutional infrastructure upon which investor confidence depends.

Alongside institutional quality, international literature has also highlighted the importance of legal incentives and facilitative legal frameworks in attracting foreign investors. In this body of work, the law is not seen merely as a set of restrictions governing market behavior, but as an active instrument through which the host state can reduce investment costs and mitigate investor risk. Collins (2023) explains that fair treatment standards, protection against unlawful expropriation, and credible dispute-settlement procedures function as core legal assurances that shape investor expectations and confidence⁸⁴. Similarly, Aniodoh (2025)⁸⁵ show that modern investment law increasingly relies on guarantees, due process, and enforceable legal commitments to encourage foreign investment while balancing state sovereignty. This literature also draws attention to the practical role of tax incentives, investment guarantees, profit repatriation rights, fast-track licensing systems, and dispute-settlement mechanisms in signaling that the host country offers not merely opportunities, but a protected and administratively manageable investment environment. What emerges from these studies is that legal attractiveness depends not simply on the existence of benefits, but on whether those benefits are embedded in a transparent and enforceable legal structure.

A further strand of international research connects FDI attraction to corporate governance, investor protection, and the quality of company law. This literature is especially important for studies like the present one because it demonstrates that foreign investors do not assess investment regimes solely through incentives at the entry stage; they also evaluate the legal quality of the corporate framework within which their capital will operate. Pistor et al. (2000) showed that legal institutions and corporate law play a decisive role in shaping financial development and investor protection⁸⁶, while Djankov et al. (2006) demonstrated that self-dealing regulation and shareholder protections affect market

⁸⁴ Collins, D. (2023). *An introduction to international investment law*. Cambridge University Press.

⁸⁵ Aniodoh, A. A. (2025). *Foreign direct investment and international law: Liberalization and economic sovereignty*.

⁸⁶ Pistor, K., Raiser, M., & Gelfer, S. (2000). Law and finance in transition economies. *Economics of Transition*, 8(2), 325–368. <https://doi.org/10.1111/1468-0351.00047>

confidence and capital allocation. More recent scholarship, including Rebeiz (2024), likewise confirms that governance quality, disclosure standards, and regulatory oversight influence how investors perceive the safety and credibility of doing business in a given jurisdiction⁸⁷. This line of literature is highly relevant because it supports the argument that company law is not merely a technical area of domestic regulation; it forms part of the wider business environment and contributes directly to investor confidence, particularly in relation to ownership structures, minority shareholder protection, transparency, accountability, and long-term investment stability.

At the same time, international literature has also adopted a more critical stance by cautioning that legal incentives alone are insufficient to attract or retain sustainable FDI if they are not matched by effective implementation. A recurring conclusion in comparative and interdisciplinary studies is that generous exemptions, formal guarantees, or modern-looking legal texts cannot compensate for bureaucracy, weak enforcement, ambiguity in statutory provisions, or a persistent gap between law on the books and law in action. This is one of the most important developments in contemporary literature because it shifts attention from legislation as text to legislation as practice. As several recent studies suggest, investors respond not only to what the law promises, but to whether institutions can implement those promises consistently, fairly, and without excessive administrative discretion⁸⁸. The same concern appears clearly in the analytical discussion of your draft, where the literature is read as showing that incentives cannot substitute for legal clarity, predictable procedures, and effective enforcement. This critical line of scholarship is particularly valuable because it prevents the analysis from becoming overly formalistic or overly optimistic about the mere existence of pro-investment legislation.

In light of this international literature, the Jordanian case appears especially worthy of examination because it combines a relatively advanced legislative structure in the field of company law and investment law with practical challenges related to implementation, procedural clarity, and the extent to which legal reform translates into actual investment attractiveness. The international literature attributes a major role to institutional quality,

⁸⁷ Rebeiz, K. S. (2024). The evolutionary journey of the American corporation and its governance over two centuries. *Corporate Governance: The International Journal of Business in Society*, 24(4), 743–760.

⁸⁸ Akbakay, Z. (2026). Policy uncertainty and foreign direct investment: The moderating role of institutional quality. *Ekonomika*.

legal guarantees, corporate governance, and effective enforcement in shaping FDI decisions; therefore, the Jordanian case offers an important setting in which to test whether these functions are in fact performed by the Companies Law and the Investment Law as applied in practice. From this perspective, the significance of the present study lies in examining whether Jordan's legislative framework merely reflects the formal features of an investor-friendly system, or whether it genuinely performs the legal and institutional roles that international scholarship associates with a competitive and credible environment for foreign direct investment.

2.3.2 Regional and Arab Literature

Regional and Arab scholarship on foreign direct investment generally confirms that FDI in the MENA region is shaped not only by economic variables, but also by the institutional and legal quality of the host state. A recurring conclusion in this literature is that investors are highly sensitive to rule of law, regulatory quality, political stability, and the practical enforceability of legal commitments. In the Jordanian context, Bekhet and Al-Smadi (2015) showed that FDI inflows are influenced by policy and structural conditions in addition to conventional macroeconomic determinants⁸⁹, while broader regional discussions likewise suggest that Arab economies can improve their investment performance only when legislative reform is accompanied by stronger institutional capacity and policy coherence (Talbot, 2024). This line of literature is especially relevant in the Arab region, where legal modernization has often progressed unevenly and where differences in implementation quality continue to shape investor confidence⁹⁰.

Arab and regional studies also place considerable emphasis on legal incentives and procedural facilitation as tools for attracting foreign capital. A number of studies note that tax exemptions, customs privileges, legal guarantees, simplified licensing, and dispute-settlement mechanisms are frequently used across Arab jurisdictions to make investment environments more competitive. In Jordan, Al-Malkawi and Marashdeh (2014) found that

⁸⁹ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.
<https://doi.org/10.1016/j.econmod.2014.12.027>

⁹⁰ Talbot, V. (2024). Economic cooperation: A driver of stability in the MENA region? ISPI Report.

financial liberalization had a positive effect on FDI inflows⁹¹, while Helalat (2022) demonstrated that legal guarantees relating to investor protection, non-discrimination, and dispute resolution are central to investor confidence⁹². At the broader regional level, Almazeedi (2024) similarly shows that MENA states increasingly rely on incentive-based legal and policy frameworks to position themselves competitively in strategic sectors. These studies collectively support the view that legal facilitation matters, particularly when incentives are tied to clear guarantees and administratively manageable procedures⁹³.

Another important strand of regional literature connects the investment climate to corporate governance and the quality of company law. This literature is useful because it shows that investors assess not only entry incentives, but also the legal framework governing ownership, transparency, accountability, and minority protection after entry. In Jordan, Albalawee and Fahoum (2024)⁹⁴, Alghizzawi et al. (2024)⁹⁵, and Alhababsah (2022)⁹⁶ all highlight the importance of corporate governance, disclosure, and institutional oversight in strengthening confidence in the business environment. Although these studies do not always address FDI directly, they support a broader regional argument that company law and governance quality are integral parts of investor protection and therefore part of the overall attractiveness of the host economy.

At the same time, the regional and Arab literature is not uncritical. A number of studies imply that incentives alone are insufficient where bureaucracy remains heavy, implementation is inconsistent, legal provisions are ambiguous, or a gap persists between

⁹¹ Al-Malkawi, H. A., & Marashdeh, H. A. (2014). The impact of financial liberalization on foreign direct investment in Jordan. *Financial Markets Journal*.

⁹² Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

⁹³ Almazeedi, W. E. (2024). Hydrogen investment: Carving out a competitive position for the MENA region in the energy transition. In *The Clean Hydrogen Economy and Saudi Arabia*. Routledge. <https://doi.org/10.4324/9781003294290-9>

⁹⁴ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

⁹⁵ Alghizzawi, M., Megdadi, Y., & Abushareah, M. (2024). Transparency and disclosure issues in the corporate governance system in developing countries, Jordan case study: Previous studies. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 103–116). Springer. https://doi.org/10.1007/978-3-031-56015-6_7

⁹⁶ Alhababsah, S. (2022). Audit committees' oversight role in developing countries: Evidence from Jordan. *Corporate Governance: The International Journal of Business in Society*, 22(6), 1275–1297. <https://doi.org/10.1108/CG-05-2021-0196>

legislative text and administrative practice. The literature reflected in your draft makes this point clearly by emphasizing that generous exemptions cannot compensate for weak enforcement, procedural complexity, or uncertainty in application. This critical insight is particularly important in the Arab context, where many states have enacted pro-investment laws but continue to face challenges relating to administrative discretion, fragmented implementation, and the credibility of institutions.

In light of this regional and Arab literature, the Jordanian case appears especially worthy of examination because it combines a relatively advanced legislative structure in the fields of Companies Law and Investment Law with practical challenges relating to implementation, procedural clarity, and the extent to which legal reform translates into actual investment attractiveness. For this reason, Jordan offers an important case through which to test whether domestic legislation performs the legal and institutional functions that regional scholarship associates with an attractive investment environment. Put differently, the key question is not only whether Jordan has adopted investor-oriented laws, but whether those laws operate effectively enough in practice to produce the confidence, protection, and predictability that Arab and regional studies identify as central to sustainable FDI attraction.

2.3.3 Jordan Literature

Jordanian scholarship on foreign direct investment generally supports the view that FDI attraction is shaped not only by economic openness and geographical location, but also by the institutional and legal quality of the domestic environment. A number of studies have shown that investor confidence in Jordan is closely linked to the clarity, consistency, and enforceability of the legal framework governing investment activity. Al-Mashaqba and Al-Qatawneh (2017)⁹⁷, and Al-Khoury and Al-Hassan (2022)⁹⁸ all indicate that the legal environment in Jordan plays a substantive role in shaping the investment climate through its effect on administrative transparency, licensing procedures, legal predictability, and investor protection. In a similar vein, Bekhet and Al-Smadi (2015) found that FDI inflows

⁹⁷ Al-Mashaqba, A., & Al-Qatawneh, L. (2017). The role of the legal environment in attracting foreign direct investment: The case of Jordan. *Legal Studies Journal*.

⁹⁸  Al-Khoury, R., & Al-Hassan, N. (2022). The impact of the legal and regulatory framework on the foreign direct investment climate in Jordan. *International Law Review*.

into Jordan are influenced not only by economic variables, but also by policy and structural conditions, thereby reinforcing the importance of institutional quality, regulatory coherence, and effective implementation in attracting foreign capital⁹⁹.

Jordanian studies also assign considerable importance to legal incentives and procedural facilitation as instruments for improving investment attractiveness. Research by Al-Abdallat (2017)¹⁰⁰, Al-Zyadat and Al-Dmour (2015)¹⁰¹, Bader and Khataybeh (2018)¹⁰², and Arabyat and Daoud (2024)¹⁰³ emphasizes the role of tax exemptions, customs advantages, policy design, and procedural simplification in strengthening Jordan's ability to attract foreign investors. This line of literature suggests that investment promotion in Jordan depends not only on formal openness, but also on the extent to which the legal system offers tangible guarantees and administratively manageable entry conditions. In the same direction, Helalat (2022) demonstrated that legal guarantees for foreign investors in Jordan especially those related to property rights, dispute resolution, and non-discriminatory treatment are central to investor protection and confidence. These studies collectively show that investment guarantees, licensing facilitation, and dispute-settlement mechanisms are treated within Jordanian scholarship as practical legal tools for reducing investor risk and improving the attractiveness of the business environment¹⁰⁴.

Another important body of Jordanian literature focuses on company law, corporate governance, and their relationship to business confidence and investor protection. Although some of these studies do not address FDI directly, they are highly relevant because they demonstrate that the Companies Law and governance framework affect how investors

⁹⁹ Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35.

<https://doi.org/10.1016/j.econmod.2014.12.027>

¹⁰⁰ Al-Abdallat, A. (2017). The impact of the investment promotion law on foreign direct investment in Jordan. *Law Review*.

¹⁰¹ Al-Zyadat, D. Y., & Al-Dmour, H. (2015). The role of investment incentives in attracting foreign direct investment in Jordan. *Investment Policy Review*

¹⁰² Bader, B. A., & Khataybeh, M. M. (2018). Does tax structure matter for foreign direct investment? Evidence from Jordan. *International Journal of Economics and Financial Issues*, 8(2), 150–157.

¹⁰³ Arabyat, Y. A., & Daoud, M. (2024). The effectiveness of tax incentives in attracting foreign direct investment in Jordan. *International Journal of Professional Business Review*, 9(4), e04461.

<https://doi.org/10.26668/businessreview/2024.v9i4.4461>

¹⁰⁴ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

assess the legal quality of the market after entry. Al-Akra et al. (2009)¹⁰⁵, Haddad et al. (2017)¹⁰⁶, Albalawee and Fahoum (2024)¹⁰⁷, Alodat et al. (2022)¹⁰⁸, and Alhababsah (2022)¹⁰⁹ all indicate that corporate regulation, governance standards, disclosure obligations, and institutional oversight contribute to transparency, accountability, and minority shareholder protection in Jordan. This is particularly important for the present study because it supports the argument that Companies Law is not merely a technical statute regulating incorporation; it is also part of the broader investment climate, as it shapes ownership structures, governance guarantees, and the legal security within which foreign capital operates.

At the same time, Jordanian studies also reflect a more critical understanding of the investment environment by suggesting that legal incentives alone are insufficient if they are not supported by efficient implementation and procedural clarity. Several studies imply that tax exemptions and investment privileges cannot fully compensate for bureaucracy, administrative delays, inconsistent enforcement, or ambiguity in legal application. This point appears clearly in the analytical discussion of your draft, where prior research is read as showing that incentives are most effective when embedded in a coherent legal system that combines procedural ease with enforceable rights and transparent administration. In this sense, the Jordanian literature increasingly recognizes the existence of a gap between legislative text and practical implementation, and it is precisely this gap that often shapes the real experience of foreign investors in the Jordanian market.

Taken together, Jordanian studies provide strong support for the central premise of the present research: that the attractiveness of Jordan to foreign investment depends not

¹⁰⁵ Al-Akra, M., Ali, M. J., & Marashdeh, O. (2009). Development of accounting regulation in Jordan. *The International Journal of Accounting*, 44(2), 163–186. <https://doi.org/10.1016/j.intacc.2009.03.005>

¹⁰⁶ Haddad, A. E., AlShattarat, W. K., AbuGhazaleh, N. M., & Nobanee, H. (2017). The impact of ownership structure and family board domination on voluntary disclosure for Jordanian listed companies. *EuroMed Journal of Business*, 12(1), 29–47. <https://doi.org/10.1108/EMJB-07-2015-0032>

¹⁰⁷ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹⁰⁸ Alodat, A. Y., Salleh, Z., & Hashim, H. A. (2022). The impact of corporate governance on Jordanian firms' performance: Evidence from Jordan. *Journal of Governance and Regulation*, 11(3), 8–17. <https://doi.org/10.22495/jgrv11i3art1>

¹⁰⁹ Alhababsah, S. (2022). Audit committees' oversight role in developing countries: Evidence from Jordan. *Corporate Governance: The International Journal of Business in Society*, 22(6), 1275–1297. <https://doi.org/10.1108/CG-05-2021-0196>

only on the existence of investment-oriented legislation, but also on the institutional credibility, procedural efficiency, and legal coherence of that legislation in practice. At the same time, these studies reveal an important analytical gap. Much of the existing literature has tended to examine either the Investment Law or the broader investment climate without sufficiently integrating the role of the Companies Law as part of the legal structure affecting FDI attraction. This is where the present study contributes by examining the combined effect of the Companies Law and the Investment Law on investor confidence, procedural facilitation, legal protection, and the long-term attractiveness of Jordan as a destination for foreign direct investment.

2.4 RESEARCH GAP AND POSITION OF THE CURRENT STUDY

Notwithstanding the breadth of the international, regional, and Jordanian literature on foreign direct investment, several important analytical and doctrinal gaps remain, thereby justifying the present study. First, a substantial portion of prior scholarships have examined FDI predominantly through economic, policy, or sector-specific lenses, while according to comparatively limited analytical weight to the legal structure through which investment is constituted, regulated, protected, and sustained. Even where the legal environment is acknowledged as relevant, it is often treated as one explanatory variable among many, rather than as a central framework shaping investor confidence, market-entry decisions, procedural security, and the continuity of investment over time. This limitation is particularly consequential in the Jordanian context, where investment attraction is closely connected to legislative reform, institutional credibility, and the effective implementation of legal guarantees.

A second gap lies in the fragmented treatment of the legal framework governing foreign investment. Much of the existing literature tends to address the Investment Law and the Companies Law in isolation, without providing an integrated account of their combined and interdependent influence on the attraction of foreign investment. Such separation is analytically inadequate, because foreign investment does not enter the host economy through incentives alone, nor through company formation rules alone. Rather, it is mediated by broader legal architecture encompassing corporate forms, ownership structures, registration procedures, governance standards, investor protections, fiscal incentives, and dispute-settlement mechanisms. These legal elements are distributed across

both company legislation and investment legislation. Accordingly, any attempt to evaluate Jordan's attractiveness to foreign investors without examining the interaction between these two legislative domains remains necessarily incomplete. The present study addresses this deficiency by analyzing the Companies Law No. 22 of 1997 and its amendments together with Investment Law No. 30 of 2014 and Investment Law No. 21 of 2022 as a unified legal framework governing foreign investment in Jordan.

A third gap concerns the insufficient integration of legal analysis with questions of implementation, institutional practice, and administrative effectiveness. A large segment of the literature discusses determinants such as infrastructure, tax policy, market openness, and political stability, yet pays relatively limited attention to the interaction between legal guarantees, corporate governance, dispute-resolution mechanisms, executive enforcement, and legislative adaptability. However, as the theoretical framework of the present study demonstrates, foreign investors respond not merely to market opportunities or formal legal promises, but to legal certainty, regulatory coherence, institutional quality, and the credibility of implementation. This requires a mode of analysis in which law is examined not simply as a body of statutory texts, but as a practical system of rights, procedures, institutions, and enforceable expectations. In this respect, the present study moves beyond a purely descriptive account of legislation by linking formal legal provisions to concrete issues such as procedural facilitation, judicial guarantees, investor protection, administrative obstacles, and the role of executive authorities in operationalizing legislative intent.

A fourth gap emerges from the relative neglect of the financial-market dimension in the existing legal literature on FDI in Jordan. Although some studies refer to investor protection, governance reform, or legislative modernization, relatively few connect these themes directly to the practical reality of foreign companies operating within Jordan's legal and financial environment, including the Amman Stock Exchange. This omission is analytically significant, since foreign investors often assess a host country not only in terms of entry conditions and investment incentives, but also in relation to exit possibilities, tradability, shareholder rights, disclosure quality, and the legal stability of financial participation. By incorporating the Amman Stock Exchange and the position of foreign

companies listed therein as part of its empirical and analytical framework, the present study adds a dimension that has remained underdeveloped in prior Jordanian scholarship.

A fifth and equally important gap concerns the normative scope of existing scholarship. Much of the prior literature evaluates investment legislation primarily in terms of its effectiveness in attracting foreign capital, while giving comparatively less attention to questions of legal appropriateness, socio-economic justice, and long-term developmental legitimacy. The present study departs from this narrower instrumental approach by examining not only whether the legal framework attracts foreign investment, but also whether it contributes to justice, institutional legitimacy, and sustainable socio-economic development. In doing so, the study treats law not merely as a tool for maximizing inflows, but as a normative and evaluative framework through which the broader consequences of investment attraction can be assessed.

Against this backdrop, the position of the current study may be defined with greater precision. The study is situated at the intersection of investment law, company law, and applied legal-economic analysis. It examines foreign investment in Jordan from a distinctly legal perspective, while remaining attentive to institutional realities, policy implementation, and the practical concerns of investors. Unlike studies that focus predominantly on incentives, macroeconomic determinants, or general investment climate indicators, the present research treats the Companies Law and the Investment Law as constitutive elements of Jordan's investment environment. It investigates the extent to which these laws shape investor confidence, ownership structures, registration procedures, governance standards, incentive mechanisms, legal guarantees, and dispute-settlement processes, and how these legal dimensions interact with governmental action, legislative-executive coordination, and administrative practice.

The present study also occupies a distinctive methodological position within literature. It is neither confined to doctrinal legal analysis in the narrow sense, nor limited to abstract economic interpretation. Rather, it adopts an integrated approach that combines legal analysis with empirical inquiry, linking the theoretical and legislative discussion to the study's problem, questions, objectives, and hypotheses. In this respect, it provides a structured and policy-relevant examination of issues such as legislative clarity, the joint impact of the Companies Law and the Investment Law, legal incentives, judicial

guarantees, procedural challenges, governmental engagement, legislative policy, and the role of the Amman Stock Exchange in shaping foreign investment patterns.

Accordingly, the contribution of the current study lies in filling a genuine gap in the literature by offering a comprehensive legal examination of foreign investment attraction in Jordan that performs four interrelated functions. First, it analyzes the integrated effect of Companies Law and the Investment Law rather than treating them as disconnected legal domains. Second, it connects legislative texts to implementation, procedure, and institutional credibility, thereby moving from law in theory to law in practice. Third, it extends the analysis to the financial-market dimension represented by the Amman Stock Exchange and foreign corporate participation therein. Fourth, it evaluates investment legislation not solely in terms of capital attraction, but also in relation to coherence, justice, and developmental significance. In this sense, the present study does not merely replicate existing scholarship; rather, it advances it by providing a more nuanced and comprehensive account of how Jordan's legal framework shapes the country's attractiveness to foreign investors.

2.5 LEGAL FRAMEWORK OF FOREIGN INVESTMENT IN JORDAN

2.5.1 Jordanian Companies Law

2.5.1.1 The Evolution of the Jordanian Companies Law: A Historical Overview

The Jordanian Companies Law plays a significant role in the country's economic landscape, governing the establishment, regulation, and operation of various types of companies ¹¹⁰. This section aims to shed light on the historical development of the Companies Law in Jordan, exploring the evolution of the legal framework and the various amendments made over the years. Throughout this section, we will reference several pieces of information to provide a comprehensive understanding of the subject matter.

The development of Jordanian company law can be traced back to the legal frameworks that operated in Transjordan during the British Mandate period (1921–1946). After the establishment of the Hashemite Kingdom of Jordan in 1946, the legal framework governing companies continued to evolve through subsequent legislative reforms, culminating in the modern Jordanian Companies Law and its later amendments. The first

¹¹⁰ Jordan (1997). Companies Law No. 22 of 1997

significant milestone in the development of the Jordanian Companies Law was the introduction of the 1951 Companies Law, which replaced the British-inspired law with a more localized legal framework. This law was designed to adapt to the specific needs and circumstances of Jordan's growing economy, accommodating different types of companies, such as public and private shareholding companies, limited liability companies, and partnerships ¹¹¹.

The next major development came with the enactment of the 1972 Companies Law, which was more comprehensive and modernized. The 1972 law introduced several essential provisions, such as corporate governance principles, the establishment of a Company's Control Department, and specific regulations for foreign companies operating in Jordan. This law aims to attract foreign investment, promote economic growth, and establish a well-regulated corporate sector ¹¹².

In 1997, the Jordanian Companies Law was again revised to respond to changes in the global business environment and the increasing importance of corporate governance¹¹³. This new law emphasized transparency, disclosure¹¹⁴, and protection of shareholders' rights. The 1997 Companies Law also introduced new provisions for the establishment of holding companies and provisions on mergers and acquisitions.

In 2002, a set of amendments were introduced to the Jordanian Companies Law in response to the country's accession to the World Trade Organization (WTO) and the requirements of the EU-Jordan Association Agreement. These amendments aimed to create a more investment-friendly environment by simplifying the procedures for establishing companies, reducing bureaucratic barriers, and easing foreign investment restrictions.

¹¹¹ Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176.

<https://doi.org/10.1108/IJLMA-07-2016-0064>

¹¹² Alhababsah, S. (2022). Audit committees' oversight role in developing countries: Evidence from Jordan. *Corporate Governance: The International Journal of Business in Society*, 22(6), 1275–1297.

<https://doi.org/10.1108/CG-05-2021-0196>

¹¹³ Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176.

<https://doi.org/10.1108/IJLMA-07-2016-0064>

¹¹⁴ Alodat, A. Y., Salleh, Z., Hashim, H. A., & Sulong, F. (2022). Corporate governance and firm performance: Empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, 20(5), 866–891. <https://doi.org/10.1108/JFRA-12-2020-0361>

In 2008, Jordan further strengthened its corporate governance framework to strengthen corporate governance, enhance transparency and disclosure, and improve the regulation of public shareholding companies. These amendments included the introduction of the concept of cumulative voting, mandatory audit committees for public shareholding companies, and more stringent disclosure requirements for related party transactions.

The most recent significant development in the Jordanian Companies Law was the enactment of the 2017 Companies Law, which aimed to create a more business-friendly environment and encourage entrepreneurship. The 2017 law simplified the procedures for company registration, reduced minimum capital requirements, and introduced new provisions on corporate governance and the protection of minority shareholders' rights.

Throughout its history, the Jordanian Companies Law has evolved to respond to the country's changing economic landscape and global business trends. The law has undergone several significant amendments to adapt to the needs of a growing economy and attract foreign investment. As Jordan continues to develop its economy and integrate with the global market, the Companies Law will likely continue to evolve to maintain a modern and effective legal framework for corporate governance and regulation.

2.5.1.2 The Influence of Foreign Laws on the Development of Jordanian Corporate Law: A Comprehensive Analysis

The development of Jordanian corporate law has been shaped by various factors, including the influence of foreign laws. This section explores the impact of foreign legal systems on the evolution of Jordanian corporate law, emphasizing the contribution of different legal traditions and systems to its development¹¹⁵.

During the British Mandate in Jordan (1921-1946), the British legal system played a significant role in shaping the early development of Jordanian corporate law. British Companies Law, which was based on common law principles, served as a model for regulating companies in Jordan. Although Jordan gained independence in 1946 and enacted its own Companies Law in 1951, the British influence on Jordanian corporate law remained evident in various aspects, such as the classification of companies, the concept of limited liability, and the regulation of share capital. Egyptian law has also influenced the

¹¹⁵ Al-Akra, M., Ali, M. J., & Marashdeh, O. (2009). Development of accounting regulation in Jordan. The International Journal of Accounting, 44(2), 163–186. <https://doi.org/10.1016/j.intacc.2009.03.003>

development of Jordanian corporate law, particularly in the areas of corporate governance and minority shareholders' rights. After gaining independence, Jordan looked to Egypt, which had a more established legal system at the time, as a source of inspiration. The Egyptian Companies Law of 1947, which was based on the French civil law system, influenced various provisions in the 1951 Jordanian Companies Law, such as the regulation of general assemblies, the appointment and dismissal of directors, and the protection of minority shareholders. The French legal system has indirectly influenced the development of Jordanian corporate law through its impact on Egyptian law, which, as mentioned earlier, served as a model for Jordan in the post-independence period. The French influence can be observed in the adoption of civil law principles in various aspects of Jordanian corporate law, such as the regulation of corporate governance, the protection of minority shareholders, and the concept of legal personality¹¹⁶.

As Jordan has increasingly integrated into the global economy, the country's corporate law has been influenced by international best practices and standards. For instance, the 1997 Companies Law and its subsequent amendments incorporated global corporate governance principles and best practices, such as transparency, disclosure, and the protection of shareholders' rights¹¹⁷. Jordan's accession to the World Trade Organization (WTO) and the requirements of the EU-Jordan Association Agreement have also played a significant role in shaping the development of Jordanian corporate law, leading to more streamlined procedures for establishing companies and easing foreign investment restrictions¹¹⁸.

The development of Jordanian corporate law has been significantly influenced by various foreign legal systems and global trends. British, Egyptian, and French legal traditions have contributed to the evolution of the Jordanian corporate legal framework, shaping its principles and provisions. Moreover, international best practices and the need for economic integration have also played a crucial role in shaping the development of

¹¹⁶ Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176. <https://doi.org/10.1108/IJLMA-07-2016-0064>

¹¹⁷ Alodat, A. Y., Salleh, Z., Hashim, H. A., & Sulong, F. (2022). Corporate governance and firm performance: Empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, 20(5), 866–891. <https://doi.org/10.1108/JFRA-12-2020-0361>

¹¹⁸ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

Jordanian corporate law¹¹⁹. As Jordan continues to navigate the challenges of the global economy, its corporate law is likely to evolve further to maintain a modern, effective, and competitive legal framework.

2.5.1.3 Issuing the Modern Jordanian Companies Law

Modern Jordanian Companies Law represents a significant milestone in the development of corporate legislation in the Hashemite Kingdom of Jordan. The law, which has undergone several amendments over the years, reflects the country's commitment to creating a more favorable business environment, promoting investment, and enhancing corporate governance practices. This section discusses the issuance of the modern Jordanian Companies Law, exploring its key provisions, amendments, and implications for the corporate landscape¹²⁰.

The 1997 Companies Law marked a turning point in the development of Jordanian corporate legislation, replacing the previous Companies Law of 1989. The new law aimed to create a more favorable business environment by simplifying company formation procedures, offering additional legal forms for businesses, and introducing modern corporate governance principles. The 1997 Companies Law also streamlined the registration process for companies, allowing for the establishment of companies in a more efficient and timelier manner.

The 1997 Companies Law underwent its first significant amendment in 2002, with changes aimed at enhancing the corporate governance framework and attracting foreign investment. The 2002 amendments introduced new provisions on transparency, disclosure, and shareholders' rights. Additionally, the amendments simplified the process of establishing companies with foreign capital and eased restrictions on foreign investment in specific sectors¹²¹.

¹¹⁹ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), Article 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹²⁰ Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176. <https://doi.org/10.1108/IJLMA-07-2016-0064>

¹²¹ Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176. <https://doi.org/10.1108/IJLMA-07-2016-0064>

In 2008, the Companies Law was further amended to strengthen corporate governance practices and improve the business environment in Jordan. The 2008 amendments addressed issues such as the composition and responsibilities of the board of directors, the protection of minority shareholders' rights, and the role of external auditors. These amendments aimed to bring Jordanian corporate governance practices in line with international standards and best practices¹²².

The 2017 Companies Law represented another significant milestone in the evolution of Jordanian corporate legislation. The law aimed to further improve the business environment, attract investment, and modernize the corporate legal framework. Key provisions of the 2017 Companies Law included the introduction of new legal forms for businesses, such as limited liability companies (LLCs) and private shareholding companies. The law also streamlined the company registration process, reduced the minimum capital requirements for certain types of companies, and introduced new provisions on corporate governance and shareholders' rights¹²³.

The issuance of the modern Jordanian Companies Law reflects the country's commitment to creating a more attractive and conducive environment for local and foreign investors. The law has undergone several significant amendments and reforms to adapt to the changing economic landscape and global trends. As Jordan continues to strive for economic growth and development, its Companies Law is likely to evolve further to maintain an effective and modern legal framework for corporate entities¹²⁴.

2.5.1.4 Articles of Jordanian Companies Law

2.5.1.4.1 Articles of the Foreign Companies Operating in Jordan

The following sections explain the Jordanian Companies Law related to foreign companies operating according to the number of articles included in the law ¹²⁵.

¹²² Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹²³ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹²⁴ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

¹²⁵ Jordan (1997). Companies Law No. 22 of 1997

❖ **Article 240 of the law delineates the definition of a foreign operating company, specifying its types and the requisite conditions for conducting operations within Jordanian territory** ¹²⁶.

Under the relevant legal provision, a foreign operating company is defined as an entity incorporated and registered outside the territorial boundaries of the Hashemite Kingdom of Jordan, with its principal headquarters established in a foreign state and possessing a nationality other than Jordanian. This legislative distinction aims to delineate the scope of activities that such companies may lawfully undertake within Jordan's jurisdiction and to ensure that foreign participation in the domestic market is conducted within a well-defined legal framework.

The law differentiates between two primary types of foreign operating companies based on the duration and purpose of their activities. The first category, temporary operating companies, refers to foreign enterprises contracted to execute specific projects within Jordan for a limited period. Their legal status and registration remain valid solely for the duration of the contracted project. Once the assigned work is completed, and all associated obligations financial or contractual are settled, the company's registration is automatically terminated unless renewed through the award of a new contract. This mechanism ensures that short-term foreign participation in Jordan's market remains project-specific and time-bound, thereby preventing unregulated continuity of operations without oversight.

The second category comprises permanent operating companies, which maintain a continuous and ongoing presence within Jordan. These entities operate under licenses granted by the competent governmental authorities and are subject to the broader regulatory and compliance framework applicable to domestic commercial entities. Their licensing reflects a long-term commitment to the Jordanian economy and subjects them to the same monitoring, taxation, and reporting obligations as national companies.

Furthermore, the legislation explicitly stipulates that no foreign company may engage in commercial or business activities within the Kingdom without undergoing proper registration as prescribed by law. Such registration involves obtaining official operating

¹²⁶ Jordan (1997). Companies Law No. 22 of 1997, art. 240

permits consistent with prevailing statutory and regulatory provisions. This requirement not only reinforces the principle of state sovereignty over economic activities within its territory but also ensures transparency, accountability, and compliance with Jordanian commercial law. Accordingly, adherence to these procedures is a prerequisite for any foreign entity seeking to operate legally within the Hashemite Kingdom of Jordan, safeguarding both the interests of the domestic market and the integrity of the regulatory system.

❖ **Article 241 governs the procedure for the registration of a foreign company within the jurisdiction, outlining the requisite documentation to be submitted to the controller. This provision establishes the regulatory framework under which foreign entities seeking to operate within the Hashemite Kingdom of Jordan must adhere. It specifies the documentation necessary to initiate the registration process, ensuring transparency and regulatory compliance. Compliance with the requirements outlined in Article 241 is essential for foreign companies seeking to establish a legal presence within Jordan's business landscape** ¹²⁷.

The process of registering a foreign company or entity within the Hashemite Kingdom of Jordan is governed by strict legal and procedural requirements designed to ensure compliance, transparency, and accountability. According to the relevant legislative provision, any application for registration must be submitted to the Controller of Companies and accompanied by the necessary documentation, duly translated into Arabic and certified by a notary public within the Kingdom. This requirement ensures that all documents are legally recognized and accessible to Jordanian regulatory authorities, maintaining consistency with national legal and linguistic standards.

The supporting documentation accompanying the registration application serves to establish both the legal identity and financial integrity of the foreign entity. These include, first, a certified copy of the company's Memorandum and Articles of Association, or any equivalent foundational document that demonstrates the company's formation and legal basis of incorporation. Second, the applicant must provide official written approval from

¹²⁷ Jordan (1997). Companies Law No. 22 of 1997, art. 241

the competent Jordanian authorities authorizing the company to operate and invest foreign capital in accordance with prevailing investment legislation. Third, the company must furnish a comprehensive list of its board members, partners, or directors, specifying their nationalities and identifying those authorized to sign on behalf of the company in the Kingdom. This measure facilitates transparency regarding ownership and control structures, reducing potential risks associated with undisclosed or ambiguous governance.

In addition, the foreign company is required to submit a duly notarized power of attorney authorizing a resident representative in Jordan to manage its operations and act legally on its behalf. This provision ensures local accountability and facilitates communication between the foreign entity and Jordanian authorities. Furthermore, audited financial statements for the company's most recent fiscal year certified by a licensed external auditor—must be included to demonstrate financial soundness and operational legitimacy. The Controller may also request any additional information or documentation deemed necessary to assess the company's eligibility for registration, thereby allowing regulatory discretion in cases requiring further verification.

The application itself must be signed before the General Controller of Companies, an authorized delegate, or a notary public, by a duly authorized representative of the foreign company. This procedural formality ensures that the application carries full legal weight and authenticity. The submission must also contain essential information regarding the company's name, type, and capital structure, alongside a detailed statement of its intended business objectives and activities within Jordan. Moreover, it must provide comprehensive data on founders, partners, or board members and their respective shares or ownership stakes. The inclusion of such details enables the authorities to verify compliance with investment and commercial laws and to prevent potential violations of ownership or capital restrictions applicable to foreign investors. Finally, the Controller retains the authority to require any further data or clarifications necessary to complete the evaluation, ensuring that each registration is conducted in accordance with national legal and economic priorities.

In essence, this registration framework reflects Jordan's commitment to creating a transparent and legally secure environment for foreign investors. By imposing structured documentation requirements, the law ensures that all foreign entities operate under clear

legal parameters, thereby safeguarding the integrity of Jordan's investment ecosystem while fostering investor confidence and adherence to the rule of law.

- ❖ **Article 242 delineates the authority vested in the controller to either accept or reject the registration of a foreign company or entity. It empowers the controller to evaluate the application for registration thoroughly, weighing various factors before arriving at a decision. Should any changes occur subsequent to the registration process, it is incumbent upon the registrant to promptly inform the controller thereof. This provision ensures transparency and regulatory compliance, facilitating effective oversight of foreign entities operating within the jurisdiction** ¹²⁸.

The controller holds the authority to either grant approval for the registration of a foreign company or entity, or to reject such registration. Upon approval, the requisite legal procedures for registering the company or entity in the registry of foreign companies must be adhered to. Subsequently, the announcement of the registration shall be made in the Official Gazette following the completion of necessary formalities and the collection of applicable legal fees.

Furthermore, any alterations to the data submitted during the registration process must follow the procedures outlined in this paragraph of the article. Such changes must be submitted within thirty days of the date of their occurrence to ensure compliance with regulatory requirements.

Moreover, the branch of a foreign company operating within the Kingdom is mandated to include specific details in its official documents and correspondence. These details encompass the name, nationality, legal structure, address, and capital of the foreign parent company both in its home country and within the Kingdom. Additionally, the registration number of the branch with the controller must be stated for transparency and regulatory purposes.

- ❖ **Article 243 outlines the obligations incumbent upon a foreign company duly registered within the jurisdiction. This provision delineates the responsibilities that such entities must adhere to while conducting business activities within**

¹²⁸ Jordan (1997). Companies Law No. 22 of 1997, art. 242

the Hashemite Kingdom of Jordan. By specifying the duties of registered foreign companies, this article aims to promote accountability, transparency, and adherence to regulatory standards ¹²⁹.

Under the provisions of the Companies Law governing the operation of foreign entities in the Hashemite Kingdom of Jordan, all registered foreign companies are subject to a set of statutory obligations designed to promote transparency, accountability, and effective regulatory oversight. These obligations reflect Jordan's broader legislative commitment to aligning its corporate governance standards with international best practices, thereby reinforcing investor confidence and safeguarding the integrity of its business environment.

One of the principal requirements imposed on foreign entities is the submission of audited financial statements to the General Controller of Companies within three months following the end of each fiscal year. This submission must include both the company's balance sheet and its profit and loss account, duly certified by a Jordanian legal auditor. This requirement ensures that the company's financial activities are not only monitored in accordance with local accounting standards but also remain accessible for official scrutiny. Such periodic disclosure enables the authorities to verify compliance with taxation and investment regulations while enhancing the accuracy and reliability of financial reporting within the Kingdom.

A further measure of transparency is ensured through the mandatory publication of financial statements. Following submission to the Controller, each foreign company is required to publish its balance sheet and income statement pertaining to its operations in Jordan in at least two local daily newspapers within sixty days. This public disclosure mechanism extends accountability beyond government oversight to include the broader business community and the general public. It empowers stakeholders—ranging from shareholders and creditors to policymakers—to evaluate the financial integrity of foreign enterprises operating within the Jordanian market.

However, recognizing that absolute rigidity may impede certain business operations, the legislation grants the Minister of Industry, Trade, and Supply discretionary

¹²⁹ Jordan (1997). Companies Law No. 22 of 1997, art. 243

authority to exempt companies from the publication or submission requirements under specific circumstances. Such exemptions, granted upon the recommendation of the Companies Controller, introduce an element of flexibility within the regulatory system. This provision allows the state to balance administrative efficiency with the need for transparency, particularly in cases involving limited activity, confidentiality concerns, or sensitive strategic projects.

Moreover, the law provides the Controller of Companies or an authorized delegate the right to inspect company books, records, and financial documents at any time. Foreign companies are legally obligated to provide full and unhindered access to these materials, ensuring that the regulatory authority can verify compliance with the law. This supervisory mechanism serves not only as a deterrent to potential violations but also as a practical tool for maintaining consistency and integrity across all foreign business operations in the Kingdom.

By adhering to these statutory obligations, foreign companies affirm their commitment to sound corporate governance and ethical business conduct. Such compliance fosters mutual trust between investors and regulators, enhances Jordan's reputation as a transparent and law-abiding jurisdiction, and ultimately contributes to the development of a stable, predictable, and attractive investment climate.

❖ **Article 244 details the obligations of a foreign company seeking the cancellation of its registration in the commercial register, along with the corresponding provisions governing such procedures. This article sets forth the requirements and steps that must be undertaken by the foreign company in order to initiate the cancellation process effectively. It delineates the legal framework within which such cancellations are processed, ensuring compliance with regulatory requirements, and facilitating the orderly cessation of business operations within the jurisdiction** ¹³⁰.

Article 244 of the law mandates that a foreign company or entity operating within the Kingdom of Jordan must adhere to specific protocols regarding the conclusion of its operations. Firstly, the company must provide written notification to the General Controller

¹³⁰ Jordan (1997). Companies Law No. 22 of 1997, art. 244

of Companies, detailing the anticipated date of conclusion of its activities within the Kingdom. This notification must be submitted at least thirty days prior to the projected cessation date or the designated completion milestone. Moreover, the foreign company is obligated to furnish evidence to the Controller, demonstrating the settlement of all financial obligations arising from its operations within the Kingdom. Only upon satisfying this requirement will the company be eligible for approval for the cancellation of its registration.

Additionally, the law stipulates that the general regulations governing liquidation are applicable to branches of foreign companies operating within Jordan, provided their central management is situated abroad. This provision ensures consistency and adherence to established procedures in the event of cessation of operations and subsequent liquidation processes for foreign entities operating within Jordan's jurisdiction. By enshrining these provisions, the law seeks to ensure transparency, accountability, and orderly conclusion of business activities by foreign companies within the Kingdom of Jordan. Compliance with these regulations fosters a conducive business environment, promoting trust and confidence among stakeholders.

2.5.1.4.2 Articles of the Foreign Companies Not Operating in Jordan

The following sections explain the Jordanian Companies Law related to foreign companies not operating according to the number of articles included in the law ¹³¹.

- ❖ **Article 245 pertains to the definition of a foreign non-operating company and delineates the activities that are prohibited for such entities and their headquarters. This provision establishes a clear distinction between foreign non-operating companies and other types of entities, outlining their specific characteristics and limitations. Additionally, Article 245 enumerates the activities that foreign non-operating companies and their headquarters are expressly prohibited from engaging in within the jurisdiction. By elucidating these prohibitions, this article aims to ensure compliance with regulatory standards and prevent unauthorized activities by foreign entities operating within the Hashemite Kingdom of Jordan. Compliance with the provisions**

¹³¹ Jordan (1997). Companies Law No. 22 of 1997

outlined in Article 245 is essential for maintaining legal conformity and integrity within the business landscape of Jordan ¹³².

A foreign company that does not engage in operations within the Kingdom of Jordan refers to a company or entity that is either established within the Kingdom or maintains a representative office outside the Kingdom. Such companies typically utilize their headquarters or office to oversee business operations and communicate with their head office. Importantly, these foreign non-operating companies are explicitly prohibited from participating in any form of business or commercial activity within the Kingdom, including the employment of agents or intermediaries. Violation of this prohibition may lead to the cancellation of their commercial registration and legal liability for any resulting losses or damages incurred by others.

However, it's worth noting that despite not conducting operations within the Kingdom, a foreign company may still opt to undergo registration in accordance with the provisions of this Law. This registration could be for the establishment of headquarters, representative offices, service delivery outlets, or technical or scientific offices. Additionally, for the purpose of litigation, the city of Amman shall be deemed the legal domicile of such foreign companies.

These provisions serve to regulate the presence and activities of foreign companies within Jordan's jurisdiction, ensuring compliance with legal requirements while providing avenues for legitimate business establishment and representation. By delineating clear guidelines and restrictions, the law aims to maintain integrity in the business environment and safeguard the interests of all stakeholders involved.

❖ **Article 246 relating to the application for registration of a foreign non-operating company and the documents to be submitted to the General Controller of Companies** ¹³³.

The registration of a non-operating foreign company in the Hashemite Kingdom of Jordan is subject to specific procedural and documentary requirements aimed at ensuring the legal validity of the entity's presence within the Kingdom, even in the

¹³² Jordan (1997). Companies Law No. 22 of 1997, art. 245

¹³³ Jordan (1997). Companies Law No. 22 of 1997, art. 246

absence of direct commercial activity. Such companies typically maintain representative or liaison offices rather than engaging in income-generating operations. The application for registration must be submitted to the Controller of Companies, accompanied by a set of official documents translated into Arabic and certified by a notary public in Jordan, thereby ensuring the authenticity and accessibility of the company's records to local authorities.

Among the essential documents required is a certificate of registration issued by the competent authority in the country where the company's head office is located. This certificate establishes the company's legal existence under its home jurisdiction and serves as evidence of its legitimate incorporation. In addition, the applicant must provide a copy of the company's Memorandum and Articles of Association, which clearly outline its objectives, share capital, and legal structure. These documents allow Jordanian authorities to assess the nature and purpose of the company's activities, as well as its compatibility with national legal and regulatory frameworks.

A power of attorney must also be submitted, authorizing a person residing in Jordan to act on behalf of the company in matters related to its registration and official correspondence. This requirement ensures that each non-operating foreign company maintains a legally accountable representative within the Kingdom, facilitating effective communication and compliance oversight. Furthermore, the company is obliged to furnish audited financial statements for the two most recent fiscal years, certified by a statutory auditor in its home country. These financial reports provide insight into the company's financial position and operational scale. However, the legislation grants the Minister of Industry, Trade, and Supply, upon a justified recommendation from the Controller, the authority to exempt the company from submitting such statements in exceptional circumstances. This exemption provision introduces flexibility, recognizing that not all non-operating entities may maintain extensive financial activity warranting detailed reporting.

The application for registration must be formally signed before the Controller, an authorized delegate, or a notary public by a duly empowered representative of the company. The submission should include comprehensive details such as the company's name, headquarters, date of incorporation, objectives, and type, as well as its nationality

and official address in the country of registration. Moreover, it must provide information on the company's capital, founders, or partners, including their nationalities, shareholding structure, and details of the board of directors. These disclosures enable the Jordanian authorities to verify ownership transparency and conformity with national foreign investment regulations. The Controller also retains the discretionary power to request any additional data or documentation necessary to complete the registration process, thereby ensuring that each application meets the standards of legality, transparency, and national interest.

In essence, the procedural rigor governing the registration of non-operating foreign companies reflects Jordan's balanced approach to foreign corporate presence and legal oversight. By requiring authenticated documentation and local representation while allowing limited exemptions under ministerial discretion, the legislative framework achieves a dual objective: facilitating the establishment of representative offices for foreign firms while safeguarding the integrity of the national legal and economic environment.

❖ **Article 247 relates to the power of the General Controller of Companies to accept or reject the registration and to notify him of any change thereto** ¹³⁴.

The controller may approve the registration of the non-operating foreign company or body or refuse to register, and in case of approval, the legal procedures for registering the company or authority in the register of non-operating foreign companies and announcing its registration in the Official Gazette shall be completed, if it submits to the controller proof of the existence of its physical headquarters inside the Kingdom. The procedures for approval, registration, and publication shall be followed on any changes to the main data of the company and its representative in the Kingdom, and such changes must be notified by the controller within thirty days of their occurrence.

❖ **Article 248 delineates the advantages afforded to a foreign non-operating company within the regulatory framework. This provision highlights the benefits and privileges extended to such entities operating within the jurisdiction. By specifying these advantages, Article 248 aims to incentivize**

¹³⁴ Jordan (1997). Companies Law No. 22 of 1997, art. 247

and facilitate the establishment and operation of foreign non-operating companies, thereby fostering economic growth, promoting investment, and enhancing the business environment within the Hashemite Kingdom of Jordan. Compliance with the stipulations outlined in Article 248 is essential for foreign non-operating companies seeking to leverage these advantages for their business activities in Jordan ¹³⁵.

A foreign company that elects not to engage in active commercial operations within the Hashemite Kingdom of Jordan enjoys a uniquely favorable legal status under Jordanian law. The legislative framework governing such non-operating foreign entities provides a comprehensive array of regulatory privileges and exemptions designed to facilitate their establishment and presence in the Kingdom while minimizing administrative and fiscal burdens. These measures reflect Jordan's broader strategy to create a flexible and attractive investment climate that welcomes foreign representation and enhances economic cooperation without imposing unnecessary constraints on entities that do not engage in domestic trade.

Foremost among these privileges is the exemption from registration and publication fees, which ordinarily apply to operational foreign companies. This exemption substantially reduces the financial and administrative costs associated with establishing a legal presence in Jordan. By alleviating these procedural expenses, the law encourages multinational corporations and international organizations to maintain liaison or representative offices within the Kingdom, thereby promoting the transfer of expertise and cross-border collaboration without subjecting such entities to full operational obligations.

Equally significant are the tax exemptions accorded to non-operating foreign companies. Profits derived from business activities conducted abroad are exempt from both income tax and social services tax in Jordan. This provision ensures that foreign companies whose operations remain outside the Kingdom are not subject to double taxation, thus enhancing their financial viability and incentivizing them to maintain a formal, though non-operational, presence within Jordan's jurisdiction. The exemption extends to non-Jordanian employees of such entities, whose salaries and wages paid at the Jordan-based headquarters

¹³⁵ Jordan (1997). Companies Law No. 22 of 1997, art. 248.

are likewise exempt from income and social services taxes. This measure enhances the company's ability to recruit international talent and strengthens Jordan's appeal as a regional administrative hub for multinational firms.

Additional relief is granted through the exemption from membership obligations to chambers of commerce, industry associations, and professional syndicates. Non-operating foreign companies are not required to obtain commercial profession licenses or to pay the associated registration fees. This exemption significantly reduces bureaucratic complexity and fosters an administrative environment conducive to foreign corporate presence.

From a trade and logistics perspective, the legislation grants customs duty exemptions for the importation of samples, commercial forms, and materials essential for the company's operations. Likewise, furniture and office equipment imported for the company's headquarters are exempt from customs duties and related charges. These measures simplify office establishment processes and reduce start-up costs for foreign entities seeking to open representative branches. Moreover, the law permits the temporary importation of one vehicle every five years for the use of non-Jordanian staff, thereby facilitating mobility and operational efficiency. In exceptional circumstances, and upon the recommendation of the Companies Controller, the Minister of Industry, Trade, and Supply retains discretionary authority to approve the importation of additional vehicles under temporary admission, demonstrating the system's flexibility and responsiveness to unique business needs.

To ensure uniformity and fairness in the application of these privileges, the legislation envisages the adoption of a specialized regulatory framework that defines the precise conditions and procedures governing the granting of exemptions. This regulatory mechanism promotes transparency and predictability in the treatment of non-operating foreign companies, thereby reinforcing investor confidence and safeguarding against arbitrary administrative decisions.

Collectively, these legislative provisions underscore Jordan's steadfast commitment to cultivating a business-friendly and legally transparent environment that balances regulatory oversight with investment facilitation. By offering targeted exemptions and procedural flexibility, the Hashemite Kingdom of Jordan positions itself as an attractive destination for regional headquarters, liaison offices, and multinational representations—

entities that, while non-operational, contribute meaningfully to the flow of foreign capital, expertise, and international partnership opportunities.

- ❖ **Article 249 of the legislation pertains to the crucial aspect of employment of Jordanian nationals within foreign companies that do not operate within the confines of the Kingdom of Jordan. This article unequivocally stipulates that such foreign companies are obligated to ensure that a minimum of fifty percent of their total workforce comprises Jordanian employees ¹³⁶.**

In essence, Article 249 underscores the imperative of prioritizing local employment opportunities within foreign companies operating outside Jordan's jurisdiction. This statutory requirement aims to foster socio-economic development by promoting job creation and skill enhancement among Jordanian nationals. By mandating a substantial representation of Jordanian employees within non-operating foreign companies, the legislation seeks to mitigate potential challenges associated with unemployment and promote inclusive economic growth.

Therefore, compliance with Article 249 is essential for foreign companies seeking to operate within Jordan's regulatory framework. Adherence to this provision not only ensures legal compliance but also contributes to the broader national agenda of fostering employment opportunities and nurturing a skilled workforce.

- ❖ **Article 250 addresses the entitlement of a non-operating foreign company to establish a non-resident account in commercial banks. This provision enables such companies to open accounts in licensed commercial banks in Jordan, allowing for transactions in Jordanian Dinars or foreign currencies. Notably, these funds must originate from overseas and be transferred through the bank ¹³⁷.**

Importantly, the funds deposited into these non-resident accounts must originate from overseas and be channeled through the bank. This requirement underscores the regulatory imperative of ensuring transparency and traceability in financial transactions conducted by non-operating foreign entities within Jordan's jurisdiction.

¹³⁶ Jordan (1997). Companies Law No. 22 of 1997, art. 249

¹³⁷ Jordan (1997). Companies Law No. 22 of 1997, art. 250

By affording non-operating foreign companies the opportunity to establish non-resident accounts, Article 250 serves to facilitate their financial operations and transactions, thereby fostering greater ease of conducting business activities in Jordan. Additionally, this provision contributes to enhancing the efficiency and reliability of financial transactions, while also promoting adherence to international standards of banking and financial governance.

❖ **Article 251 addresses the circumstances under which the registration of a foreign non-operating company may be canceled. This provision outlines specific scenarios that warrant the cancellation of registration, establishing a legal framework for regulatory action in such cases. By delineating the conditions under which registration may be revoked, Article 251 ensures accountability and compliance with regulatory standards. Compliance with the stipulations outlined in Article 251 is essential for maintaining legal conformity within the business landscape of the Hashemite Kingdom of Jordan**¹³⁸.

The authority is vested in the Minister, who, upon the recommendation of the General Controller of Companies, holds the power to revoke the registration of a foreign non-operating company under specific circumstances. Should it be determined that the company is engaged in commercial activities within the Kingdom, lacks a genuine headquarters therein, or breaches any provisions outlined in this Law or accompanying regulations or directives, the Minister may initiate the cancellation process. This provision underscores the regulatory framework's commitment to ensuring compliance and integrity within the business landscape, with the Minister empowered to take decisive action in cases of non-compliance or violation.

2.5.1.5 Key Chapters and Materials in Modern Jordanian Corporate Law: A Comprehensive Overview

Modern Jordanian corporate law stands as one of the principal pillars of the national legal system, providing a comprehensive and structured framework for the establishment, operation, and regulation of corporate entities within the Kingdom. It reflects Jordan's

¹³⁸ Jordan (1997). Companies Law No. 22 of 1997, art. 251

ongoing commitment to aligning its commercial legislation with international standards of governance, transparency, and investor protection. The current framework draws upon both domestic legislative evolution and comparative legal influences, incorporating principles from civil law traditions while responding to the specific needs of Jordan's dynamic business environment¹³⁹.

At the core of this legal structure lies the process of formation and incorporation, which defines the procedures and requirements for establishing corporate entities such as joint-stock companies, limited liability companies, and partnerships. The law specifies the documentation, regulatory approvals, and administrative steps necessary for incorporation, ensuring that every entity operates under a clearly defined legal personality. This procedural rigor enhances legal certainty and promotes investor confidence by guaranteeing that all corporate establishments conform to the national economic and regulatory order¹⁴⁰.

Equally integral to the modern corporate framework is corporate governance, which has evolved into a cornerstone of Jordanian corporate regulation. The law mandates governance structures designed to uphold transparency, accountability, and ethical conduct within companies. These provisions safeguard the interests of shareholders, directors, employees, and other stakeholders by prescribing clear mechanisms for decision-making, disclosure, and oversight. Effective governance frameworks not only prevent managerial abuse but also contribute to sustainable economic growth by fostering integrity and professionalism in corporate administration¹⁴¹.

A further dimension of this legal system concerns shareholder rights and protections. Jordanian corporate law provides shareholders with defined participatory powers, including voting rights, dividend entitlements, and recourse in instances of

¹³⁹ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹⁴⁰ Alhuniati, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

¹⁴¹ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

corporate mismanagement or violations of fiduciary duties. It ensures that minority shareholders are protected from potential exploitation by controlling interests and establishes procedures for equitable dispute resolution. These legal safeguards reflect Jordan's adherence to global principles of shareholder democracy and fair treatment¹⁴².

The law also extends to the regulation of capital markets, integrating corporate legislation with securities oversight mechanisms to maintain market stability and investor trust. By setting out comprehensive rules governing public offerings, disclosure obligations, and insider trading prohibitions, the framework promotes transparency and accountability in financial transactions. Regulatory supervision by the Jordan Securities Commission ensures that market participants adhere to these standards, thereby strengthening the credibility and efficiency of Jordan's financial system¹⁴³.

In addition, the modern legal system provides a detailed structure for mergers, acquisitions, and corporate restructuring. These provisions define the procedures and requisite approvals for consolidations, takeovers, and reorganizations of corporate control, balancing flexibility in business transactions with safeguards against monopolistic or anti-competitive behavior. The inclusion of these mechanisms aligns Jordan with contemporary corporate practices observed in developed jurisdictions, facilitating cross-border investment and corporate expansion¹⁴⁴.

Lastly, corporate insolvency and restructuring provisions play a crucial role in preserving economic stability. Jordanian law sets forth a framework for the equitable resolution of financial distress through bankruptcy procedures, debt restructuring mechanisms, and creditor protection measures. These provisions are intended to ensure an orderly and fair process for both debtors and creditors, minimizing systemic risk while providing viable pathways for corporate recovery and continuity.

Collectively, these foundational components of modern Jordanian corporate law reflect a balanced and progressive approach one that harmonizes regulatory oversight with business facilitation, investor protection with corporate autonomy, and legal predictability

¹⁴² Atallah, A. (2024). The corporate governance role in protecting minority shareholders rights in public joint-stock companies (Comparative Study). <https://hdl.handle.net/10016/45172>

¹⁴³ Shahwan, Y. (2025). Corporate social responsibility, corporate governance, and asymmetric information: Evidence from Jordan. *Business Strategy & Development*. <https://doi.org/10.1002/bsd2.70138>

¹⁴⁴ Jordan. (1997). Companies Law No. 22 of 1997.

with economic flexibility. In doing so, the law reinforces Jordan's position as a regional leader in corporate governance reform and as an attractive jurisdiction for both domestic and foreign investment¹⁴⁵.

The modern Jordanian corporate law encompasses a diverse array of chapters and materials that collectively serve to regulate and govern corporate activities within the country. By providing clear guidelines, principles, and mechanisms, this legal framework plays a crucial role in fostering transparency, accountability, and stability in Jordan's corporate sector, thereby contributing to overall economic development and investor confidence. It also outlines the different types of corporate entities that can be established in the country, including public shareholding companies, private shareholding companies, limited liability companies (LLCs), and general and limited partnerships. The law also prescribes the procedures for company formation, including the necessary documents, registration requirements, and minimum capital thresholds for each type of company¹⁴⁶.

Corporate governance is a crucial aspect of Jordanian corporate law, with the legislation addressing various aspects of company management, including the composition, appointment, and responsibilities of the board of directors, as well as the rights and duties of shareholders. The law also covers matters related to general assemblies, decision-making processes, and the protection of minority shareholders' rights¹⁴⁷.

Transparency and disclosure are essential components of Jordanian corporate law, aiming to ensure that corporate entities operate with integrity and adhere to international best practices. The law mandates companies to prepare and disclose annual financial statements and reports, maintain accurate accounting records, and engage external auditors to review their financial performance¹⁴⁸.

¹⁴⁵ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465.

<https://doi.org/10.1080/23311975.2023.2297465>

¹⁴⁶ Alhuniati, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

¹⁴⁷ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465.

<https://doi.org/10.1080/23311975.2023.2297465>

¹⁴⁸ Alghizzawi, M., Megdadi, Y., & Abushareah, M. (2024). Transparency and disclosure issues in the corporate governance system in developing countries, Jordan case study: Previous studies. In *Business*

The modern Jordanian corporate law contains provisions aimed at promoting foreign investment and creating a favorable business environment for international investors. The law allows foreign investors to establish companies in Jordan, subject to certain restrictions and requirements and provides for the repatriation of capital and profits. Furthermore, the law offers incentives and protections for foreign investors in line with international standards¹⁴⁹.

Jordanian corporate law addresses the procedures and requirements for company liquidation and bankruptcy¹⁵⁰. The law stipulates the conditions under which a company may be dissolved or declared bankrupt and outlines the responsibilities of liquidators and the distribution of company assets among creditors and shareholders¹⁵¹.

Modern Jordanian corporate law provides a comprehensive framework for the establishment, regulation, and operation of corporate entities in the country. The law addresses key aspects of corporate management and governance, including company formation, transparency, disclosure, foreign investment, and liquidation. As Jordan continues to develop its corporate legal framework, investors and business professionals need to familiarize themselves with the key chapters and materials related to Jordanian corporate law to ensure compliance and success in the country's business landscape¹⁵².

2.5.1.6 Important Amendments and Their Rationale in Modern Jordanian Corporate Law

Over the years, Jordanian corporate law has undergone several amendments to create a more favorable business environment, attract investment, and align corporate governance practices with international standards. This section discusses the critical amendments to modern Jordanian corporate law, along with the reasons that led to these changes. The 2002 amendments to the Jordanian Companies Law focused on enhancing

Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development (pp. 103–116). Springer. https://doi.org/10.1007/978-3-031-56015-6_7

¹⁴⁹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

¹⁵⁰ Jordan. (1997). Companies Law No. 22 of 1997.

¹⁵¹ Jordan. (2018). Insolvency Law No. 21 of 2018.

¹⁵² Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

transparency and disclosure practices in the corporate sector. These amendments introduced new provisions on the preparation and disclosure of financial statements, the role of external auditors, and shareholders' access to company information. The main driver behind these amendments was to promote investor confidence, attract foreign investment, and align Jordanian corporate law with international best practices¹⁵³.

The 2008 amendments to the Jordanian Companies Law aimed at strengthening the country's corporate governance framework. The amendments addressed various aspects of corporate governance, including the composition and responsibilities of the board of directors, the protection of minority shareholders' rights, and the role of external auditors. The main objective behind these amendments was to promote transparency, accountability, and good governance in the corporate sector, ultimately enhancing investor confidence and attracting foreign investment¹⁵⁴.

The 2017 Companies Law represented a significant overhaul of Jordanian corporate law, aiming to modernize the legal framework and improve the business environment in the country. Key provisions of the 2017 Companies Law included the introduction of new legal forms for businesses, such as limited liability companies (LLCs) and private shareholding companies. The law also streamlined the company registration process, reduced the minimum capital requirements for certain types of companies, and introduced new provisions on corporate governance and shareholders' rights. The main rationale behind the 2017 Companies Law was to create a more favorable business environment for local and foreign investors, promoting economic growth and development in the country¹⁵⁵.

Modern Jordanian corporate law has evolved significantly over the years, with a series of important amendments aimed at creating a more conducive business environment, attracting investment, and aligning the country's corporate governance practices with international standards. By understanding the rationale behind these amendments, investors

¹⁵³ Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176. <https://doi.org/10.1108/IJLMA-07-2016-0064>

¹⁵⁴ Toumeh, A. A., & Ghazalat, A. (2026). Mandatory governance and risk management committees and firm performance: Evidence from Jordan's non-financial sector. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2026.2618306>

¹⁵⁵ Alodat, A. Y., Salleh, Z., Hashim, H. A., & Sulong, F. (2022). Corporate governance and firm performance: Empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, 20(5), 866–891. <https://doi.org/10.1108/JFRA-12-2020-0361>

and business professionals can better appreciate the importance of Jordanian corporate law and its impact on the country's economic growth and development¹⁵⁶.

2.5.1.7 Challenges and Obstacles Arising from Legal Amendments in Modern Jordanian Companies Law

While the amendments introduced to the modern Jordanian Companies Law in 2017 have significantly improved the business environment and strengthened the regulatory framework, they have simultaneously given rise to a series of practical and legal challenges for both companies and investors. These challenges stem from the heightened standards of corporate governance, transparency, and compliance introduced by the amendments, which although essential for aligning Jordan with international best practices have imposed new administrative, procedural, and financial obligations on the private sector¹⁵⁷.

One of the primary challenges concerns compliances with enhanced transparency and disclosure requirements. The 2017 amendments introduced comprehensive provisions governing the preparation and disclosure of financial statements, the mandatory role of external auditors, and the right of shareholders to access corporate information. These reforms were designed to increase accountability and investor confidence; however, they have also resulted in higher compliance costs and administrative burdens. Small and medium-sized enterprises, in particular, have found it difficult to meet these obligations due to limited financial and human resources, as well as insufficient technical expertise (71F). Consequently, while the amendments foster transparency, they also widen the regulatory gap between large, well-capitalized corporations and smaller family-owned or emerging businesses¹⁵⁸.

A second challenge arises from the requirement to adapt to new corporate governance standards. The 2017 revisions sought to institutionalize good governance by

¹⁵⁶ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹⁵⁷ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹⁵⁸ Alghizzawi, M., Megdadi, Y., & Abushareah, M. (2024). Transparency and disclosure issues in the corporate governance system in developing countries, Jordan case study: Previous studies. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 103–116). Springer. https://doi.org/10.1007/978-3-031-56015-6_7

regulating the composition, qualifications, and responsibilities of boards of directors, enhancing the protection of minority shareholders, and reinforcing the independence of external auditors. These changes have compelled companies to redesign their internal policies, restructure their management hierarchies, and establish compliance departments to align with the new legal expectations. For many family-owned businesses, which have traditionally operated under informal management models, adapting to these reforms presents considerable difficulties. The need to balance formal governance with operational flexibility remains an ongoing tension within Jordan's evolving corporate landscape¹⁵⁹.

Another area of complexity involves navigating changes in company formation and registration procedures. The amended Companies Law simplified the incorporation process, introduced new business forms, and reduced minimum capital requirements for certain company types. While these reforms have facilitated market entry and investment, they have also created ambiguity regarding the most appropriate legal structures for different business activities. Entrepreneurs and foreign investors often require specialized legal counsel to determine the optimal form of registration and ensure full compliance with the restructured regulatory framework. This underscores the dual nature of the reform simplifying procedures on one hand, while necessitating greater legal awareness and due diligence on the other¹⁶⁰.

A further challenge pertains to adjusting to the revised provisions governing shareholders' rights. The amendments strengthened mechanisms for shareholder participation, voting rights, and minority protection, thereby aligning domestic corporate practice with international standards. Nevertheless, these new requirements have led to increased administrative responsibilities for company management and, in some cases, to heightened tensions between majority and minority shareholders. Implementing these

¹⁵⁹ Toumeh, A. A., & Ghazalat, A. (2026). Mandatory governance and risk management committees and firm performance: Evidence from Jordan's non-financial sector. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2026.2618306>

¹⁶⁰ Alhuniati, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

provisions requires updating internal corporate bylaws and dispute resolution mechanisms to preempt conflicts and ensure fair treatment of all investors¹⁶¹.

In conclusion, while the 2017 amendments to the modern Jordanian Companies Law represent a major legislative advancement that enhances transparency, strengthens governance, and improves the overall investment climate, they also present significant transitional challenges. Companies and investors must invest in legal compliance, governance restructuring, and administrative capacity-building to fully realize the benefits of these reforms. Through proactive adaptation, legal consultation, and policy alignment, businesses can not only mitigate these challenges but also leverage the reformed legal environment as a platform for sustainable growth and integration into Jordan's modernized and globally competitive corporate sector.

2.5.1.8 A Comparative Analysis of Jordanian Companies Law and Companies' Laws in Other Countries

A comparative analysis between the Jordanian Companies Law and the corresponding legal framework in other jurisdictions reveals both convergences and distinctive features in the regulation of corporate activities. Such a comparison not only illuminates Jordan's legislative evolution but also contextualizes it within global trends of corporate law reform. The assessment of key dimensions namely company formation, corporate governance, and shareholder rights demonstrates Jordan's commitment to modernizing its commercial legislation while adapting international standards to its local socio-economic context¹⁶².

In the area of company formation and legal structure, the Jordanian Companies Law of 2017 introduced significant reforms aimed at facilitating entrepreneurship and attracting foreign investment. The amendments streamlined the registration process, reduced bureaucratic formalities, and lowered the minimum capital requirements for certain corporate forms. They also expanded the range of permissible company types, including limited liability companies (LLCs) and private shareholding companies, thereby aligning

¹⁶¹ Atallah, A. (2024). The corporate governance role in protecting minority shareholders rights in public joint-stock companies (Comparative Study). <https://doi.org/10.57980/1hnE9JrriG8J>

¹⁶² Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

Jordan's corporate architecture with contemporary global practice. These developments have simplified the incorporation process, reduced entry barriers for investors, and enhanced Jordan's standing as a competitive business hub in the region¹⁶³. By comparison, the United States maintains a federalized and state-based framework, where incorporation procedures and capital requirements differ among states. Common company forms include limited liability companies (LLCs), corporations, and partnerships, each governed by distinct statutes that reflect the principle of legal pluralism. The decentralized system in the U.S. allows for flexibility and innovation in business formation but can also create complexities for interstate and foreign investors seeking uniformity in regulation.

Within the European Union, efforts have been made to harmonize certain aspects of company law while respecting the diversity of member-state legal traditions. The establishment of the European Company (*Societas Europaea*, SE) legal form represents a significant step toward unifying cross-border corporate operations, yet incorporation procedures, governance frameworks, and capital thresholds continue to vary across member states. This demonstrates the EU's attempt to balance market integration with national sovereignty in corporate regulation, a challenge not unlike that faced by Jordan in reconciling domestic priorities with international norms¹⁶⁴.

In the Gulf Cooperation Council (GCC) countries, corporate legislation generally recognizes several business forms such as LLCs, public and private shareholding companies, and partnerships comparable to those in Jordan. However, many GCC jurisdictions impose restrictions on foreign ownership, particularly in strategic sectors, and company registration requirements differ across the region. While Jordan's corporate law is more liberal in permitting foreign equity participation, it still maintains selective

¹⁶³ Alhuniati, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

¹⁶⁴ Biermeyer, T. (2021). 20 Years of the SE Regulation—The Rise of a Specific Purpose Vehicle? *European Journal of Comparative Law and Governance*, 8(4), 363–387. <https://doi.org/10.1177/1023263X211053296>

safeguards designed to protect national interests, striking a nuanced balance between openness and regulatory control¹⁶⁵.

Similarly, North African countries provide for corporate forms such as limited liability companies, joint stock companies, and partnerships, yet their incorporation procedures and minimum capital requirements display notable variation. Some states, like Egypt and Morocco, have liberalized ownership structures to attract foreign investment, while others retain stricter controls on foreign participation. Jordan's reforms, by contrast, have positioned it closer to the North African liberal models, reflecting a gradual but steady shift toward a more open and investment-friendly legislative framework. The comparative analysis highlights that while Jordan shares common features with many jurisdictions such as the recognition of modern company forms and simplified incorporation processes, it distinguishes itself through its balanced approach: liberalizing business formation while retaining regulatory oversight to ensure compliance, transparency, and alignment with national development objectives. This equilibrium positions Jordan as a bridge between regional legal traditions and global corporate governance standards, offering a hybrid model that supports both domestic enterprise growth and cross-border investment.

1. Corporate Governance

In the context of corporate governance, the Jordanian Companies Law has undergone significant evolution to align domestic corporate practices with international governance standards. The 2008 amendments were particularly instrumental in strengthening the principles of accountability, transparency, and oversight within the corporate sector. These reforms introduced explicit provisions regulating the composition and responsibilities of boards of directors, enhanced protections for minority shareholders, and expanded the statutory duties of external auditors. Collectively, these measures sought to institutionalize sound governance practices, mitigate managerial abuse, and foster a culture of ethical corporate behavior consistent with global expectations. Jordan's progress

¹⁶⁵ Jafeel, A. Y., Chu, E. Y., & Abdalla, Y. A. (2024). Board effectiveness and corporate investment in emerging markets: Evidence from the Gulf Cooperation Council countries. *Journal of Accounting in Emerging Economies*, 14(5), 1041–1068. <https://doi.org/10.1108/JAEE-04-2023-0111>

in this domain reflects its broader objective of improving investor confidence and ensuring equitable treatment across all levels of corporate ownership¹⁶⁶.

By contrast, corporate governance in the United States is largely shaped by state-level legislation, with the Delaware General Corporation Law (DGCL) serving as the most influential model. The U.S. approach emphasizes fiduciary duties, particularly the duties of care, loyalty, and good faith owed by directors to shareholders. It also underscores the role of shareholder activism and institutional investors in ensuring board accountability and influencing corporate decision-making. This decentralized model provides flexibility but also places substantial reliance on judicial precedent and market-based enforcement rather than centralized regulatory authority.

In the United Kingdom, corporate governance operates under a distinctive “comply or explain” regime established by the UK Corporate Governance Code. This framework grants companies the discretion to deviate from prescriptive governance requirements, provided that they offer transparent and reasonable justifications for doing so. The British model thus embodies a balance between regulatory oversight and managerial autonomy, emphasizing transparency, board independence, and accountability as mechanisms for maintaining investor trust. This flexible yet principled approach has influenced governance reforms globally including, to a certain extent, those adopted in Jordan by promoting adaptability within a rules-based framework¹⁶⁷.

Within the Gulf Cooperation Council (GCC) countries, corporate governance frameworks are in varying stages of development. Most member states have adopted modern corporate governance codes inspired by international best practices, emphasizing the strategic role of boards of directors, the importance of disclosure, and the centrality of transparency and accountability. However, implementation and enforcement remain uneven across the region, with significant disparities in institutional capacity and regulatory rigor. Jordan’s governance system stands out as comparatively more consistent in its

¹⁶⁶ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹⁶⁷ Constantatos, A. F., Merika, A., & Merika, X. A. (2026). Revision of corporate governance codes in the UK: Implications for firm value and earnings management. *Corporate Governance: The International Journal of Business in Society*, 26(3), 746–765. <https://doi.org/10.1108/CG-01-2025-0058>

enforcement mechanisms, owing to a centralized regulatory body and a clearer statutory foundation¹⁶⁸.

In North African countries, the corporate governance landscape is still emerging. While some states, such as Tunisia and Morocco, have introduced governance codes and frameworks aligned with the principles of the OECD Guidelines on Corporate Governance, others continue to operate under fragmented or outdated systems. Enforcement challenges, limited investor awareness, and weak institutional structures have hindered the full realization of governance reforms in the region. Compared with these jurisdictions, Jordan demonstrates a more structured and codified approach, having integrated governance principles directly into its Companies Law rather than relying solely on voluntary codes or non-binding guidelines¹⁶⁹.

The comparative analysis underscores that Jordan occupies a middle ground between the highly institutionalized models of the United States and United Kingdom and the developing frameworks of neighboring Arab jurisdictions. Its legal evolution represents a hybrid approach combining statutory enforcement with principles of transparency and accountability that positions Jordan as a regional leader in corporate governance reform. This alignment with international norms not only enhances domestic investor confidence but also strengthens Jordan's capacity to attract foreign investment by offering a predictable, transparent, and ethically grounded corporate environment.

2. Shareholder Rights

The protection of shareholder rights constitutes a fundamental pillar of modern corporate law and plays a crucial role in fostering transparency, accountability, and investor confidence. The modern Jordanian Companies Law has incorporated a number of significant provisions aimed at strengthening shareholder participation and safeguarding the interests of minority shareholders. These reforms, consistent with the global movement toward enhanced corporate governance, introduced mechanisms to ensure fair treatment among shareholders, facilitate equitable access to corporate information, and allow for

¹⁶⁸ Jafeel, A. Y., Chu, E. Y., & Abdalla, Y. A. (2024). Board effectiveness and corporate investment in emerging markets: Evidence from the Gulf Cooperation Council countries. *Journal of Accounting in Emerging Economies*, 14(5), 1041–1068. <https://doi.org/10.1108/JAEE-04-2023-0111>

¹⁶⁹ Meghouar, H., & El Idrissi, S. (2026). Revisiting M&A performance in emerging market: The influence of new determinants (2008–2018). *Journal of Accounting in Emerging Economies*. <https://doi.org/10.1108/JAEE-07-2025-0349>

more meaningful participation in general assemblies and voting processes. The overarching objective of these measures is to balance the powers of controlling shareholders with the rights of minority investors, thereby reinforcing the principles of fairness and inclusivity within Jordan's corporate environment¹⁷⁰.

In comparison, shareholder rights in the United States are governed primarily by state-level corporate statutes, with the Delaware General Corporation Law (DGCL) serving as the leading model. The U.S. framework emphasizes key rights such as voting on major corporate decisions, inspection of corporate records, and the ability to initiate derivative lawsuits against directors for breaches of fiduciary duty. These mechanisms collectively promote accountability and deter managerial misconduct, with judicial enforcement serving as a critical safeguard. The prominence of institutional investors in the U.S. also underscores a strong culture of shareholder activism, which further reinforces governance oversight and market discipline¹⁷¹.

In the United Kingdom, the Companies Act 2006 codifies an extensive set of shareholder protections encompassing voting rights, pre-emption rights, and derivative claims. British law also encourages shareholder engagement through activism and stewardship principles, recognizing investors as active participants in corporate governance rather than passive beneficiaries. The UK's approach is characterized by a sophisticated balance between statutory protection and self-regulation, with judicial mechanisms supporting shareholder recourse and enforcement of rights. This participatory governance model has profoundly influenced international corporate reforms, including those in Jordan, where emphasis has been placed on increasing shareholder inclusiveness and transparency¹⁷².

Across the Gulf Cooperation Council (GCC) countries, shareholder rights are generally well-developed, granting investors voting privileges, access to corporate

¹⁷⁰ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

¹⁷¹ Rebeiz, K. S. (2024). The evolutionary journey of the American corporation and its governance over two centuries. *Corporate Governance: The International Journal of Business in Society*, 24(4), 743–760. <https://doi.org/10.1108/CG-06-2023-0249>

¹⁷² Koh, P. (2026). The shareholder's standing to challenge the exercise of directorial power: *Tianrui (International) Holding Company Ltd v China Shanshui Cement Group Ltd*. *The Modern Law Review*. <https://doi.org/10.1111/1468-2230.70004>

information, and the opportunity to engage in key decision-making processes. Nevertheless, the enforcement of these rights remains uneven, varying significantly depending on the maturity of local regulatory institutions and the degree of market liberalization. In some GCC jurisdictions, shareholder remedies are limited by procedural constraints or insufficient judicial capacity, whereas Jordan's Companies Law benefits from clearer enforcement pathways through centralized regulatory oversight by the Controller of Companies¹⁷³.

In North African countries, the landscape of shareholder protection is more fragmented. Jurisdictions such as Tunisia and Morocco have advanced shareholder frameworks that grant investors comprehensive participation rights and access to legal remedies, while others remain at earlier stages of reform. Weak institutional enforcement and a lack of transparency in some systems have hindered the practical realization of shareholder protections. Relative to these contexts, Jordan occupies a more advanced position, having embedded shareholder rights directly within its statutory corporate framework and integrated them with broader governance and disclosure obligations¹⁷⁴.

The comparative analysis reveals that Jordan's legal system, through the modernization of its Companies Law, has progressively aligned with international standards of shareholder protection, blending elements of Anglo-American accountability with regional regulatory traditions. While the U.S. and UK frameworks remain benchmarks for robust enforcement and activism, Jordan's reforms have successfully localized these principles, establishing a framework that emphasizes fairness, transparency, and participatory governance. This convergence strengthens Jordan's investment environment by ensuring that shareholder confidence remains a cornerstone of its corporate legal architecture.¹⁷⁵

¹⁷³ Jafeel, A. Y., Chu, E. Y., & Abdalla, Y. A. (2024). Board effectiveness and corporate investment in emerging markets: Evidence from the Gulf Cooperation Council countries. *Journal of Accounting in Emerging Economies*, 14(5), 1041–1068. <https://doi.org/10.1108/JAEE-04-2023-0111>

¹⁷⁴ Labban, H., & Roussel, J. (2025). The impact of corporate governance frameworks on Middle East and North Africa banks performance. *International Journal of Islamic and Middle Eastern Finance and Management*, 18(5), 1092–1115. <https://doi.org/10.1108/IMEFM-01-2025-0038>

¹⁷⁵ Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>

The Jordanian Companies Law has evolved, incorporating best practices from various jurisdictions and adapting to the country's unique context. Comparing Jordanian Companies Law with companies' laws in other countries, such as the Gulf Cooperation Council, North Africa, the United States, and the United Kingdom, highlights the similarities and differences in legal frameworks governing corporate activities¹⁷⁶. By understanding these comparisons, lawmakers, investors, and business professionals can draw lessons from other jurisdictions to further refine and improve the Jordanian Companies Law. Also, Comparing the Jordanian Companies Laws with companies' laws in the GCC and North African countries highlights the similarities and differences in legal frameworks governing corporate activities in these regions. Understanding these comparisons can help businesses and investors make informed decisions when operating or considering investments in Jordan, the GCC, or North African countries. By recognizing the unique features of each jurisdiction's company law, businesses and investors can better navigate the legal landscape and capitalize on opportunities in these markets.

2.5.2 Jordanian Investment Law

Direct and indirect foreign investment is the subject of interest for many governments, organizations, companies, and individuals, as there is debate about the feasibility of this type of investment and the burdens and benefits arising from it, especially about the motives of foreign companies to invest, the determinants of these foreign investments, and the methods of organization and management in foreign companies.¹⁷⁷

Successive scientific and economic developments have contributed to broadening the base of economic openness, and this has resulted in more challenges for developing countries that suffer from imbalances in their economic structures and dependence, which made them face several difficulties at the economic and social levels, which prompted these countries to work to address this. The imbalance, by seeking to restructure their economies

¹⁷⁶ Gurrea-Martínez, A. (2025). Strengthening the international competitiveness of capital markets: Global insights and local strategies. *Singapore Journal of Legal Studies*. <https://doi.org/10.2139/ssrn.5123458>

¹⁷⁷ Andrii, O., Liudmyla, H., Euvgenia, N., Ianina, T., & Liudmyla, S. (2025). Determinants of foreign direct investment in developing economies: Comprehensive analysis. *Economics*.

in a way that prepares them for competition among themselves to attract foreign investments and take advantage of their advantages¹⁷⁸.

Many developing countries have undertaken many economic, administrative, and legislative reforms to remove restrictions on the movement of their foreign trade, the movement of capital and investment, and access to global markets, and many of these countries have succeeded in achieving good growth rates because of these reforms¹⁷⁹.

Jordan stands out as one of the nations that has recognized the pivotal role of foreign direct investment (FDI) as a significant instrument for economic revitalization and globalization. In pursuit of harnessing the potential benefits of foreign investments, the Jordanian government has implemented various corrective measures and enacted legislations aimed at fostering a conducive investment climate to attract foreign capital, especially amid fierce competition from neighboring countries¹⁸⁰.

The advantages of foreign direct investments are undeniable, with notable benefits including enhancing the competitiveness and productivity of local industries, fostering job creation, and bolstering the country's foreign currency reserves. These advantages, among others, will be thoroughly elucidated within the context of the research. However, it is crucial to acknowledge that the benefits derived from foreign investments are accompanied by certain challenges and considerations¹⁸¹.

Foreign companies embarking on investment ventures abroad are driven by their distinct goals and motives, which may vary widely depending on their strategic objectives and market conditions. Consequently, there exists a diversity of opinions regarding the direction of foreign investments, with three main perspectives emerging¹⁸²:

¹⁷⁸ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. SAGE Open. <https://doi.org/10.1177/21582440261431268>

¹⁷⁹ Ochi, A., Nouaili, M., Saidi, Y., Haouas, A., & Saidi, A. (2025). Foreign direct investment and economic growth in Arab countries: Do institutions, financial development, and knowledge economy matter? *Journal of the Knowledge Economy*. <https://doi.org/10.1007/s13132-025-02794-7>

¹⁸⁰ Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*.

¹⁸¹ Jubran, A., Radaideh, M. K., & Al-Sawaie, K. M. (2025). The impact of foreign direct investment on job opportunities in the Jordanian economy. In *From Machine Learning to Sustainable Futures* (Springer). https://doi.org/10.1007/978-3-031-76011-2_120

¹⁸² Andrii, O., Liudmyla, H., Euvgenia, N., Ianina, T., & Liudmyla, S. (2025). Determinants of foreign direct investment in developing economies: Comprehensive analysis. *Economics*.

- **Full Support:** The first viewpoint wholeheartedly endorses foreign investments in all their forms, recognizing their potential to catalyze economic growth, enhance competitiveness, and foster technological advancement.
- **Opposition:** The second perspective adopts a critical stance towards foreign investments, raising concerns about potential negative impacts on domestic industries, cultural integrity, and national sovereignty.
- **Conditional Support:** The third perspective advocates for a balanced approach, supporting foreign investments while advocating for the implementation of controls and standards to regulate their flow into developing countries. This viewpoint emphasizes the importance of safeguarding national interests and ensuring that foreign investments align with sustainable development goals.

Amidst these differing opinions, it is imperative for policymakers and stakeholders to engage in informed dialogue and adopt measures that strike a delicate balance between attracting foreign investments and safeguarding national interests. By implementing effective regulatory frameworks and fostering transparent and accountable investment environments, Jordan can maximize the benefits of foreign direct investment while mitigating potential risks and challenges. Ultimately, a strategic and nuanced approach towards foreign investments is essential for achieving sustainable economic development and inclusive growth in Jordan and beyond¹⁸³.

2.5.2.1 Introduction of Foreign Direct Investment (FDI)

Foreign Direct Investment (FDI) is a significant driver of economic growth and development for both developed and developing countries. It is a major source of capital, technology transfer, and job creation. This section provides a comprehensive definition of FDI, its importance, and the impact it has on host countries and the global economy.

According to the International Monetary Fund (IMF), Foreign Direct Investment (FDI) is "an investment made by an investor (usually a company) from one country into another country to establish a lasting interest in the enterprise". This lasting interest implies that the investor has a long-term commitment to the enterprise and exerts a significant

¹⁸³ Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*.

degree of influence over its management and operations¹⁸⁴. FDI typically involves the acquisition of existing assets or the creation of new assets in the host country, such as building factories, offices, or other facilities¹⁸⁵.

Foreign Direct Investment (FDI) has long been recognized as a cornerstone of global economic growth and development, serving as a vital instrument for capital formation, technological advancement, and structural transformation. For developing and emerging economies, in particular, FDI represents more than a mere inflow of financial resources, it acts as a conduit for knowledge transfer, employment creation, and integration into global value chains. The multifaceted nature of FDI allows it to influence economic, social, and institutional dimensions, thereby positioning it as a catalyst for long-term sustainable development¹⁸⁶.

One of the most immediate contributions of FDI lies in capital inflows. In many developing nations characterized by limited domestic savings, foreign investment provides an indispensable source of external financing. These inflows enable host countries to implement infrastructure projects, stimulate industrialization, and diversify their economic base. By bridging the investment gap, FDI strengthens capital accumulation, which, in turn, fuels productivity growth and macroeconomic stability. Beyond capital injection, FDI encourages the development of modern financial systems by deepening capital markets and enhancing access to credit for domestic firms¹⁸⁷.

Equally significant is the role of FDI in technology transfer and managerial diffusion. Multinational corporations (MNCs) bring with them advanced production technologies, innovative management systems, and operational expertise that extend beyond the boundaries of their home countries. The interaction between foreign and

¹⁸⁴ Ashine, S. G. (2024). Assessment of foreign direct investment inflows into Ethiopia in light of peace and security challenges from 2018 to 2022. *Cogent Economics & Finance*, 12(1), Article 2308670.

<https://doi.org/10.1080/23322039.2024.2308670>

¹⁸⁵ Rodríguez-Chávez, C. A., Oré-Evanán, L. M., & colleagues. (2024). Foreign direct investment and sustainable development in Asia: Bibliometric analysis and systematic literature review. *Sustainability*, 16(23), 10718. <https://doi.org/10.3390/su162310718>

¹⁸⁶ Rodríguez-Chávez, C. A., Oré-Evanán, L. M., et al. (2024). Foreign direct investment and sustainable development in Asia: Bibliometric analysis and systematic literature review. *Sustainability*, 16(23), 10718. <https://doi.org/10.3390/su162310718>

¹⁸⁷ Utouh, H. M. L., & Kitole, F. A. (2024). Forecasting effects of foreign direct investment on industrialization towards realization of the Tanzania development vision 2025. *Cogent Economics & Finance*, 12(1). <https://doi.org/10.1080/23322039.2024.2376947>

domestic firms generates positive externalities often referred to as “spillover effects” that enhance local productivity, efficiency, and competitiveness. Through these channels, host countries can bypass traditional industrial stages and accelerate their trajectory toward modern economic structures¹⁸⁸.

Another notable benefit of FDI is its contribution to employment generation and human capital development. The establishment of foreign-owned enterprises creates direct jobs, while the broader supply chain and service linkages stimulate indirect employment across sectors. These new opportunities not only alleviate unemployment pressures but also elevate living standards and expand the skilled labor force. As domestic employees gain exposure to international practices and technologies, they acquire transferable skills that contribute to overall labor market modernization¹⁸⁹.

The cumulative impact of these channels manifests in sustained economic growth. Through capital formation, technology diffusion, and job creation, FDI enhances productivity and fosters innovation, leading to improved competitiveness and export performance. The integration of host countries into global production networks also broadens market access, allowing local firms to benefit from economies of scale and global distribution systems. The resulting growth cycle reinforces itself through increased tax revenues, higher household incomes, and rising consumer demand collectively contributing to long-term economic resilience¹⁹⁰.

Furthermore, FDI facilitates market access and export expansion by linking host economies to international trade networks. Multinational corporations use their global marketing expertise and logistical infrastructure to promote locally produced goods in foreign markets, boosting export diversification and foreign exchange earnings. This integration into global supply chains enables host countries to reduce their dependency on

¹⁸⁸ Phi, V. T., Tran, K. H., Hoang, V. H., & Dong, V. C. (2024). The role of foreign direct investment in technology development in Vietnam. *Cogent Social Sciences*, 10(1).
<https://doi.org/10.1080/23311886.2023.2300514>

¹⁸⁹ Ning, W., Alessa, N., & Dawuni, A. (2026). Structural industrial transformation, foreign investment, and environmental sustainability in Africa: Pathways to sustainable development. *Sustainable Development*.
<https://doi.org/10.1002/sd.70926>

¹⁹⁰ Fambeu, A. H., & Tsambou, A. D. (2025). Foreign direct investment and global value chains in Sub-Saharan African firms. *International Journal of the Economics of Business*.
<https://doi.org/10.1080/13571516.2025.2541114>

volatile commodity exports and to strengthen their position within the global economic system¹⁹¹.

In addition, FDI plays a transformative role in infrastructure development. Foreign investors often engage in partnerships with host governments to finance and manage strategic projects in transportation, energy, telecommunications, and logistics. These collaborations close business structure gaps, enhance national connectivity, and improve the ease of doing business all of which are essential conditions for attracting further investment and fostering industrial expansion¹⁹².

Beyond tangible assets, FDI fosters knowledge spillovers and human capital advancement. Through daily interaction, training, and joint ventures, local employees and entrepreneurs absorb technical and managerial know-how from foreign partners. This exchange cultivates innovation and strengthens domestic firms' ability to compete internationally. Over time, these spillovers stimulate entrepreneurship and create a virtuous cycle of learning and productivity gains¹⁹³.

The financial sector also benefits from the presence of foreign investors. FDI stimulates financial deepening and institutional modernization by introducing the best global practices in risk management, corporate governance, and regulatory compliance. The entry of foreign financial institutions enhances competition, liquidity, and service diversity, leading to a more efficient and inclusive financial ecosystem that supports private-sector growth¹⁹⁴.

Finally, contemporary patterns of FDI underscore its potential contribution to sustainable development and corporate social responsibility (CSR). Many multinational corporations now integrate environmental, social, and governance (ESG) considerations

¹⁹¹ Utouh, H. M. L., & Kitole, F. A. (2024). Forecasting effects of foreign direct investment on industrialization towards realization of the Tanzania development vision 2025. *Cogent Economics & Finance*, 12(1). <https://doi.org/10.1080/23322039.2024.2376947>

¹⁹² Luu, H. N., Nguyen, L. Q. T., & Nguyen, L. T. M. (2025). The impact of foreign direct investment on infrastructure development. *Journal of Economic Studies*, 52(7), 1226–1244. <https://doi.org/10.1108/JES-03-2024-0154>

¹⁹³ Phi, V. T., Tran, K. H., Hoang, V. H., & Dong, V. C. (2024). The role of foreign direct investment in technology development in Vietnam. *Cogent Social Sciences*, 10(1). <https://doi.org/10.1080/23311886.2023.2300514>

¹⁹⁴ Akipilic, F. (2026). Global uncertainty, institutional quality, financial development, and foreign direct investment inflows. *The Journal of International Trade & Economic Development*. <https://doi.org/10.1080/09638199.2025.2459911>

into their investment strategies. This alignment promotes environmentally responsible production, community development, and adherence to ethical labor practices. By embedding CSR principles in their operations, foreign investors contribute to social welfare while reinforcing their own reputational legitimacy in the host country¹⁹⁵.

FDI transcends the traditional perception of foreign capital as a purely economic instrument. It represents a multidimensional driver of transformation that fosters growth, enhances institutional capacity, and promotes sustainable development. When supported by coherent national policies, transparent legal frameworks, and sound regulatory governance, FDI can serve as a strategic lever for inclusive and resilient economic progress, propelling nations, particularly developing economies toward greater prosperity and integration within the global economy¹⁹⁶.

The investment climate encompasses a multifaceted array of factors that collectively influence investor sentiment and shape decisions regarding the allocation of capital across different countries. It can be conceptualized as the confluence of laws, policies, economic dynamics, and political institutions that impact investor confidence and incentivize them to channel their investments into specific jurisdictions. While economic considerations undoubtedly play a significant role, the investment climate extends beyond purely financial factors to encompass broader social and political conditions. Indeed, the presence or absence of internal and external political stability is a crucial determinant of the investment climate. Political instability, whether domestically or regionally, can deter foreign investments irrespective of the economic opportunities and advantages present. Investors prioritize safety and stability above potential profits, adhering to the fundamental principle that "safety before profit" governs investment decisions across all times and places¹⁹⁷.

Foreign direct investment (FDI) encompasses a spectrum of activities, including the establishment of new projects and the acquisition of existing ventures. These investments

¹⁹⁵ Csordás, A., & Al-Dalahmeh, M. (2024). Developing trust, developing economies: The role of ESG disclosure in attracting foreign investment. *Finance: Theory and Practice*.

¹⁹⁶ Rodríguez-Chávez, C. A., Oré-Evanán, L. M., et al. (2024). Foreign direct investment and sustainable development in Asia: Bibliometric analysis and systematic literature review. *Sustainability*, 16(23), 10718. <https://doi.org/10.3390/su162310718>

¹⁹⁷ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*. <https://doi.org/10.1177/21582440261431268>

may involve full ownership by the foreign investor or partial ownership through joint ventures or strategic partnerships. The flexibility inherent in the concept of FDI allows investors to adapt their strategies to suit the prevailing investment climate and capitalize on emerging opportunities¹⁹⁸.

In essence, fostering a conducive investment climate requires a holistic approach that addresses not only economic factors but also social and political dynamics. Governments and policymakers play a pivotal role in creating an enabling environment for investment by implementing transparent and predictable regulatory frameworks, promoting the rule of law, and ensuring political stability. By cultivating a favorable investment climate, countries can attract and retain foreign capital, driving economic growth, job creation, and sustainable development¹⁹⁹.

FDI can have both positive and negative impacts on the host country and the global economy. On the positive side, FDI can lead to increased economic growth, job creation, and technology transfer, as mentioned earlier²⁰⁰. Moreover, FDI can contribute to the diversification of the host country's economy, the development of local industries, and the integration of the host country into global value chains. However, FDI can also have negative consequences for the host country. For instance, it may lead to overdependence on foreign capital, resulting in vulnerability to external shocks and fluctuations in global financial markets. Additionally, FDI may result in the exploitation of natural resources and environmental degradation if not managed responsibly²⁰¹. Foreign Direct Investment is an essential component of the global economy, driving economic growth, technology transfer, and job creation in host countries. While FDI can bring significant benefits to host

¹⁹⁸ Al Rawashdeh, R., & Campbell, G. (2024). Mineral policy in MENA countries: The case of Jordan. *Mineral Economics*. <https://doi.org/10.1007/s13563-024-00419-0>

¹⁹⁹ Alzarooni, L., Al-Shboul, M., & others. (2025). The effect of regulatory quality on the nexus between foreign direct investment and bank stability in a dual banking system. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2025.2532119>

²⁰⁰ Drob, C., Plescau, I., & Zichil, V. (2025). Foreign direct investments and economic growth in Romania: A time-series approach for sustainable development. *Sustainability*, 18(1), 343. <https://doi.org/10.3390/su18010343>

²⁰¹ Dinh, L. Q., & Huy, N. Q. (2026). Foreign direct investment and sustainable development in the face of geopolitical, financial, and economic volatility. *Sustainable Development*. <https://doi.org/10.1002/sd.70711>

countries, it is crucial to manage and regulate it effectively to ensure sustainable and inclusive development²⁰².

A sound legal framework is essential for attracting and regulating foreign investment in any country. It provides the necessary assurances and protections to foreign investors while ensuring that the host country benefits from the investment. This section discusses the key components of a legal framework for foreign investment and the main provisions that are typically included in such laws and regulations.

A comprehensive legal framework for foreign investment constitutes one of the principal determinants of a country's ability to attract, regulate, and sustain international capital inflows. Such a framework provides not only legal certainty for investors but also institutional stability that underpins confidence in the host country's economic environment. The robustness of this framework typically derives from the interaction of several key legal instruments, including investment laws, bilateral and multilateral treaties, sector-specific regulations, and tax regimes. Together, these components form a cohesive architecture that governs the rights, obligations, and protections afforded to foreign investors, while ensuring alignment with national development objectives²⁰³.

At the foundation of this framework lie investment laws, which establish the general principles governing foreign investment. These statutes articulate the fundamental rights and duties of foreign investors, outline conditions for entry and operation, and specify the mechanisms for dispute resolution. By providing guarantees of fair treatment, national and most-favored-nation (MFN) standards, and protection against expropriation, such laws play a critical role in assuring investors of the legal predictability necessary for long-term commitments. In countries like Jordan, these laws also integrate with domestic commercial and company legislation to create a unified regulatory environment conducive to sustainable investment²⁰⁴.

Complementing national legislation is bilateral and multilateral investment treaties (BITs and MITs), which extend protection to investors through legally binding

²⁰² Giroud, A., Puck, J., & Pühr, H. (2026). World investment report 2025: International investment in the digital economy. *Journal of International Business Policy*. <https://doi.org/10.1057/s42214-025-00234-6>

²⁰³ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁰⁴ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

international agreements between states. These treaties often include provisions for the protection of property rights, repatriation of profits, and the establishment of neutral arbitration mechanisms such as the International Centre for Settlement of Investment Disputes (ICSID). The existence of a broad treaty network enhances a country's attractiveness to foreign investors by mitigating political and regulatory risks and reinforcing the credibility of its legal commitments on the international stage.

A third critical pillar comprises sector-specific regulations, which tailor investment conditions to the strategic and regulatory particularities of individual industries such as energy, telecommunications, mining, or financial services. These specialized frameworks may impose additional requirements relating to ownership structures, licensing, environmental compliance, or local content obligations²⁰⁵. By balancing liberalization with sectoral oversight, governments ensure that foreign investment advances national interests while maintaining fair competition and consumer protection.

Finally, tax laws and international tax treaties form an integral component of the investment framework, directly influencing the profitability and attractiveness of investment ventures. Through mechanisms such as double taxation avoidance agreements (DTAAs), states seek to eliminate fiscal distortions that could otherwise discourage cross-border capital flows. Transparent and stable tax policies further enhance investor confidence, providing predictability in financial planning and corporate operations²⁰⁶.

In essence, a comprehensive legal framework for foreign investment functions as a synergistic ecosystem rather than a collection of isolated instruments. The interplay among investment laws, treaties, sectoral regulations, and tax regimes ensures coherence between domestic policy objectives and international investment norms. When effectively implemented, this legal infrastructure fosters an enabling environment that not only protects investors but also aligns foreign capital with the host country's broader economic, social, and developmental priorities²⁰⁷.

²⁰⁵ Martins, M. M. V., Silva, F. A., Bispo, S. Q. A., et al. (2026). Agricultural foreign investment governance in Brazil. In *Foreign Investment and Domestic Development* (Chapter 1). Routledge. <https://doi.org/10.4324/9781003727002-1>

²⁰⁶ Córdoba, P. G. (2025). The impact of Pillar Two rules on international investment treaties: An assessment of tax carve-out provisions. *Intertax*, 53(5).

²⁰⁷ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

Foreign investment laws and regulations constitute the backbone of a country's investment climate, defining the legal relationship between the host state and foreign investors while balancing protection, regulation, and national interest. The principal provisions embedded in these frameworks are designed to promote transparency, predictability, and fairness in the treatment of foreign investors, thereby reinforcing the rule of law and investor confidence²⁰⁸.

Foremost among these provisions are national treatment and non-discrimination clauses, which guarantee that foreign investors enjoy the same rights and privileges as domestic investors. These clauses prevent discriminatory practices in areas such as taxation, licensing, and access to markets, ensuring a level playing field for all participants. By institutionalizing equality before the law, these principles strengthen the credibility of the host country's regulatory environment and align it with international norms governing investment relations²⁰⁹.

A second critical component is the system of investment incentives, encompassing both financial and non-financial measures intended to attract and retain foreign capital. Financial incentives may include tax holidays, customs duty reductions, and preferential loan facilities, whereas non-financial incentives often involve streamlined administrative procedures, land allocation benefits, or guarantees of regulatory stability. These incentives are particularly significant in developing economies, where governments seek to channel foreign investment toward strategic sectors such as manufacturing, renewable energy, and infrastructure²¹⁰.

Equally important are investment guarantees, which serve as protective mechanisms against political and regulatory risks. Such guarantees include safeguards against expropriation and nationalization without prompt and adequate compensation, as well as assurances regarding the free repatriation of profits, dividends, and capital. These provisions are essential in reinforcing investor confidence, particularly in jurisdictions

²⁰⁸ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁰⁹ Ranjan, P. (2025). Non-discrimination in international investment law. In *Routledge Handbook on International Economic Law*. <https://doi.org/10.4324/9781003399711-26>

²¹⁰ Bispo, S. Q. A., Martins, M. M. V., Silva, F. A., et al. (2026). Agricultural foreign investment governance in Argentina. In *Foreign Investment in Agriculture and Domestic Development*. Routledge. <https://doi.org/10.4324/9781003727002-2>

where institutional capacity or political stability may pose perceived risks. They also reflect a country's adherence to international investment norms codified in bilateral and multilateral treaties²¹¹.

A robust dispute resolution framework constitutes another cornerstone of effective foreign investment regulation. The inclusion of clear and enforceable dispute settlement provisions allows for the resolution of conflicts between investors and the host state through impartial mechanisms such as international arbitration or other forms of alternative dispute resolution (ADR). Mechanisms like those under the International Centre for Settlement of Investment Disputes (ICSID) and the UNCITRAL Arbitration Rules provide neutral venues for resolving disputes, thereby mitigating sovereign risk and ensuring procedural fairness²¹².

Many host countries also incorporate performance requirements as a means of ensuring that foreign investment contributes directly to national development goals. Such requirements may include local content obligations, employment quotas for nationals, technology transfer commitments, or export performance targets. While these measures are sometimes viewed as constraints by investors, they can serve as effective tools for fostering local capacity-building, industrial linkages, and technological advancement especially when implemented transparently and within the bounds of international trade agreements²¹³.

Finally, contemporary foreign investment laws increasingly emphasize environmental and social standards as integral components of responsible investment governance. These standards reflect the global shift toward sustainable development and corporate accountability, requiring investors to comply with environmental protection laws, labor rights conventions, and community engagement obligations. By embedding sustainability within legal frameworks, host countries ensure that investment-driven growth

²¹¹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²¹² Risso, G., & Dall'Agnola, G. (2025). Investment structuring and re-structuring: The Italian perspective. *Arbitration International*, 41(2), 377–400. <https://doi.org/10.1093/arbint/aiae049>

²¹³ Aniodoh, A. A. (2025). Foreign direct investment and international law: Liberalization and economic sovereignty.

is both inclusive and environmentally sound, aligning economic objectives with social welfare and ecological preservation²¹⁴.

Taken together, these provisions form a coherent and dynamic legal framework that balances investor protection with developmental sovereignty. National treatment and non-discrimination foster equality, incentives and guarantees attract capital, dispute resolution mechanisms enhance confidence, and performance and sustainability standards ensure long-term socio-economic benefits²¹⁵. When effectively implemented and enforced, such a framework not only enhances a nation's competitiveness as an investment destination but also promotes sustainable, inclusive, and resilient economic growth in line with global best practices.

2.5.2.2 Determinants Of Foreign Investment in Arab Countries

The attraction of foreign direct investment by Arab countries was not limited to non-oil or poor countries only, such as Egypt, Lebanon, Jordan, Tunisia, and Morocco, but rather it exceeded it to rich and oil countries, such as Saudi Arabia, the United Arab Emirates, and Bahrain, through the adoption of some policies that It aims behind it to attract this type of foreign investment. In the past few years, many Arab countries, including Jordan, have paved the way for these investments to attract them through the enactment of appropriate laws and regulations, granting incentives, and tax and customs exemptions²¹⁶.

However, despite these procedures and incentives granted, the Arab countries share of foreign direct investment did not exceed 1% of the global investment volume, which amounted to \$255 billion of the global total, including \$9 billion in 2000, and the inter-Arab investments during (1995-2000)) did not exceed the amount of 174 billion, as the difference in economic policies in the Arab countries and the weakness of the production base in them and the state of economic stagnation and political instability in some Arab countries, and the setting of a ceiling for the maximum limit of foreign ownership in many

²¹⁴ Rutherford, A. (2025). Investor obligations in international investment agreements: Exploring responsible foreign investment. In *Corporate Responsibility and Accountability in Business Law*. <https://doi.org/10.4324/9781003683636-10>

²¹⁵ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²¹⁶ Almazeedi, W. E. (2024). Hydrogen investment: Carving out a competitive position for the MENA region in the energy transition. In *The Clean Hydrogen Economy and Saudi Arabia*. Routledge. <https://doi.org/10.4324/9781003294290-9>

Arab countries, especially The countries of the Gulf Cooperation Council were among the main reasons for the modest volume of foreign investment in most countries of the Arab world²¹⁷. In addition to the small size of the market, the cultural dimension, and the level of risks in some Arab host countries, these factors limit the increase in the volume of foreign direct investment.

The Arab world is a society that possesses the resources that qualify it to achieve balanced growth. There are real opportunities to transform the Arab region into a developed and effective economic power²¹⁷. However, this depends on more comprehensive structural reforms on the economic and financial levels, as well as revitalizing the role of the private sector and providing the legislative and financial structures. the appropriate regulatory framework and provide an appropriate environment to attract capital²¹⁸.

2.5.2.3 Determinants Of Foreign Investment in Jordan

Jordan is considered one of the countries that, for quite some time, has worked to provide an appropriate investment climate. Since 1973, the government has started implementing the Foreign Investment Law, which grants investors tax and customs exemptions from import and export fees²¹⁹. By the end of the nineties, a series of laws had helped Jordan to fulfill some of its needs in terms of industrial and service projects. Encouraging foreign direct investment is a major goal, and one of the priorities of the economic work of all successive Jordanian governments without exception, to increase the pace of economic growth. Jordan has made great strides in this field²²⁰.

The importance of investment stems from its being a tool that works to increase the production capacity of the host country. In Jordan, many legislations and laws have been enacted regulating the process of foreign direct investment, commensurate with the desired objectives to support the national economy, supply it with foreign currency, provide job

²¹⁷ Malkawi, B. H., Mihalakas, A. P., & Valiullina, I. (2025). A league of nations in transition—Regional integration for the Arab Spring nations. *Willamette Journal of International Law and Dispute Resolution*.

²¹⁸ Talbot, V. (2024). Economic cooperation: A driver of stability in the MENA region? ISPI Report.

²¹⁹ AlZboon, M. I. (2025). External shocks and foreign investment in Jordan. In *Innovative Law and Business in the Digital Era* (pp. 65–79). Springer. https://doi.org/10.1007/978-981-96-5773-5_5

²²⁰ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

opportunities, and achieve comprehensive economic development²²¹. Accordingly, a set of laws and legislations were issued in Jordan to encourage foreign investment since the beginning of the fifties, which kept pace with the economic and social development that the country is going through, and table below show the most of these laws and legislations²²²:

Table 2.1 Laws And Legislations In Jordan

#	Laws / Legislations	Num	Year
1	Investment Promotion and Industry Guidance Law	٢٧	١٩٥٥
2	Law of Encouraging and Employing Foreign Capital	٢٨	١٩٥٨
3	Investment Promotion Law	١	١٩٦٧
4	Temporary Investment Promotion Law	٥٣	١٩٧٣
5	Investment Promotion Law	١١	١٩٨٧
6	Investment Promotion Law	١٦	١٩٩٥
7	Law of Encouragement of Arab and Foreign Investments	٢٧	١٩٩٥
8	Laws amending Law	٥٣	١٩٩٥
9	Law on Encouraging Temporary Investment	٦٨	٢٠٠٣
10	Investment Promotion Law	١٨	٢٠١٧
١١	Investment Promotion Law	٢١	٢٠٢٢
١٢	Amendments to the Law	٧	٢٠٢٣

The laws included a large number of facilities for investors to work to provide an appropriate investment climate, without obstacles, including tax and customs exemptions, and also related to income, profits, social service taxes, buildings, and land, and incentives related to transferring capital, salaries, and wages for foreign workers, and returns to capital. However, these laws did not meet the needs of investors only to a limited extent, and foreign investments were not within the safe level²²³. It was necessary to issue a new law that meets the needs of investors more and has a significant impact on encouraging foreign investment, and accordingly the Investment Promotion Law No. (16) of 1995, and the Law of Encouraging Arab and Foreign Investments No. (27) of 1995, were enacted as

²²¹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²²² AlZboon, M. I. (2025). External shocks and foreign investment in Jordan. In *Innovative Law and Business in the Digital Era* (pp. 65–79). Springer. https://doi.org/10.1007/978-981-96-5773-5_5

²²³ Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets* (Chapter 13). CRC Press. <https://doi.org/10.1201/9781032667478-13>

an attempt to work on bridging and covering the weaknesses that previous laws suffered from, as the new law granted larger customs and tax exemptions for longer periods, and also gave the investor the right to own the project and manage it in the way he wants without restriction or condition. In 2003, Temporary Law No. (68) was issued, where one of the most important features of this law was: The right for any non-Jordanian person to invest in the Kingdom through participation or participation, provided that the sectors and the percentage that the non-Jordanian investor is entitled to participate or contribute within its limits are determined. The non-Jordanian investor is treated as a Jordanian investor, and the investor has the right to manage the project in the way he sees fit, and through the persons he chooses. Non-Jordanian technical and administrative workers in any project have the right to transfer their salaries outside the Kingdom by the legislation in force²²⁴.

Tangible efforts have been made by the Jordanian authorities to work to attract foreign investments by working to modernize foreign investment laws and working to establish the Investment Promotion Agency. In 1995, the Investment Promotion Agency was established by the Jordanian government, which provides attractive incentives and encourages both Jordanian and non-Jordanian investors in terms of exemption from customs duties and exemptions from income taxes, social services, unrestricted transfer of capital and profits²²⁵. On May 16, 2004, the investment window was launched to simplify the procedures for obtaining approval, as the volume of foreign investment in projects through it amounted to 136.9 million dinars. Jordan is also bound by several agreements such as the Jordanian American Partnership Agreement and the Jordanian European Partnership Agreement, to stimulate the economy and Jordanian investments, and increase the volume of foreign direct investments through the preferential facilities granted by these agreements to Jordanian goods²²⁶.

²²⁴ Makableh, T. (2013). The Hashemite Kingdom of Jordan's legal, economic and fiscal empowerment through commerce and active trade agreements (Master's thesis, Golden Gate University). <https://digitalcommons.law.ggu.edu/theses/56/>

²²⁵ Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets*. CRC Press. <https://doi.org/10.1201/9781032667478-13>

²²⁶ Tovias, A., & Al-Khouri, R. (2004). An evaluation of the potential economic effects of a bilateral free trade area agreement between Israel and Jordan in the context of the Euro-Mediterranean Partnership. *Israel Affairs*, 10(3). <https://doi.org/10.1080/1353712042000242617>

Despite these continuous efforts by the Jordanian government, some obstacles hinder Jordan from achieving the aspirations it aspires to, and among these obstacles: are the existence of administrative bureaucracy, the multiplicity of agencies that the investor must review, and the monopoly of viable investment opportunities by a group limited number of investors, the lack of a marketing program compatible with the Jordanian market, the small size of the market, the high-income tax, sales tax and energy prices with the lack of consistency and stability of investment policies and the unstable political situation in the region, especially in the Arab countries neighboring Jordan²²⁷, and the lack of investment opportunities and weak competitive capabilities in many economic sectors, the high cost of production and financing, the dominance of small and medium industries over enterprises, low levels of income and wages and the emergence of unemployment²²⁸.

2.5.2.4 Legal Framework and Main Provisions for Foreign Investment in Jordan

The Jordanian Investment Law provides the legal framework for foreign investment in the country. It aims to attract foreign capital, stimulate economic growth, and create job opportunities²²⁹. This section discusses the key components and main provisions related to foreign investment according to the Jordanian Investment Law and relevant regulations. The Jordanian Investment Law, most recently updated in 2023, is the primary legislation governing foreign investment in Jordan. The law provides a comprehensive framework that outlines the rights, obligations, and protections for foreign investors, as well as incentives to encourage foreign investment in various sectors²³⁰.

The Jordanian Investment Law establishes a comprehensive legal framework designed to attract, regulate, and protect foreign investment while promoting transparency, accountability, and sustainable economic development. This framework is grounded in several key provisions that collectively aim to create a stable and predictable environment for both domestic and international investors. At the heart of the law lies the principle of national treatment and non-discrimination, which guarantees that foreign investors are

²²⁷ Zoubi, M. A. (2023). Political and institutional roots of Jordan's economic underperformance.

²²⁸ Gharaibeh, O. K., & Kharabsheh, B. (2022). Corruption, political instability and their impact on investment: An FMOLS approach. *Investment Management and Financial Innovations*.

²²⁹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²³⁰ Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*

accorded the same rights, privileges, and protections as domestic investors. This provision ensures equality before the law in matters of taxation, licensing, property rights, and access to government services. By institutionalizing fair treatment and prohibiting discriminatory practices, Jordan aligns itself with international investment norms and enhances its credibility as a secure and rules-based jurisdiction for foreign capital.

The law also provides a robust system of investment incentives, encompassing both financial and non-financial measures designed to encourage new and sustained investment inflows. Financial incentives include tax exemptions, customs duty reductions, and exemptions from certain municipal fees, while non-financial incentives involve administrative simplifications, such as one-stop-shop mechanisms, accelerated licensing, and streamlined documentation procedures. These incentives reflect the government's intent to reduce operational costs, eliminate bureaucratic delays, and make Jordan an attractive destination for investors seeking efficiency and predictability²³¹.

Equally important are the investment guarantees enshrined in the law, which safeguard investors against political and legal uncertainties. The legislation explicitly protects foreign investors from expropriation and nationalization without fair and prompt compensation, ensuring that any such action occurs only under exceptional public-interest circumstances. Furthermore, it guarantees the right to repatriate profits, dividends, and capital freely, a provision that strengthens investor confidence by assuring liquidity and financial autonomy. These guarantees not only align with global investment protection standards but also position Jordan as a reliable destination for long-term investment²³².

The law's dispute resolution mechanisms reinforce the integrity of the investment environment by providing transparent and internationally recognized avenues for conflict resolution. Investors are entitled to pursue arbitration through the International Centre for Settlement of Investment Disputes (ICSID) or other reputable arbitration frameworks, ensuring impartiality and procedural fairness. The inclusion of such mechanisms

²³¹ Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets*. CRC Press. <https://doi.org/10.1201/9781032667478-13>

²³² Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

underscores Jordan's adherence to the rule of law and its commitment to providing investors with confidence in the judicial and regulatory processes²³³.

Moreover, the law introduces sector-specific regulations that define investment priorities in areas such as renewable energy, tourism, and information technology. By doing so, it channels foreign capital toward sectors that align with Jordan's Economic Modernization Vision 2033, fostering sustainable growth and diversification. These targeted policies aim to stimulate innovation, generate employment opportunities, and integrate Jordan more deeply into global value chains²³⁴.

In alignment with global sustainable development objectives, the law also embeds environmental and social standards within its regulatory framework²³⁵. It mandates compliance with environmental protection regulations, labor laws, and corporate social responsibility (CSR) principles, thereby ensuring that foreign investment contributes positively to Jordan's social and ecological well-being. These provisions demonstrate the government's recognition that economic growth must be balanced with social inclusion and environmental stewardship²³⁶.

In conclusion, the Jordanian Investment Law articulates a coherent and balanced approach to investment regulation one that combines protection and facilitation. Through its principles of equality, incentives, guarantees, and sustainability, the law not only attracts foreign capital but also aligns investment activities with national development goals. Its integrated approach positions Jordan as a progressive and responsible investment hub within the Middle East, capable of delivering both economic returns and long-term social benefits.

The legal framework governing foreign investment in Jordan extends beyond statutory provisions to encompass a complex network of procedural and institutional

²³³ Khalifa, M. M. M. (2024). The impact of disputes and mandatory law application on investment in Jordanian law. In *Frontiers of Human Centricity in the Artificial Intelligence-Driven Society*. Springer. https://doi.org/10.1007/978-3-031-73545-5_87

²³⁴ Ramadan, A. (2026). Financing the future: Green investment, policy innovation and sustainable energy transitions in Egypt and Jordan. *Management & Sustainability: An Arab Review*.

²³⁵ Al-Hammouri, A., Al Makhmari, M., & Al Kalbani, H. (2025). Legislative and institutional framework's role in environmental protection and sustainable development goals in Jordan and Oman: A comparative study. In *Strategies for Environmental Risk Mitigation in the MENA Region*. Springer.

²³⁶ Rutherford, A. (2025). Investor obligations in international investment agreements: Exploring responsible foreign investment. In *Corporate Responsibility and Accountability in Business Law*. Routledge. <https://doi.org/10.4324/9781003683636-10>

mechanisms that ensure its effective implementation. From a procedural standpoint, the registration and licensing of foreign companies involve multiple administrative steps coordinated through the Jordan Investment Commission and the Ministry of Industry, Trade and Supply, supported by electronic one-stop services designed to reduce bureaucratic delays. At the institutional level, the efficiency of the legal system is reinforced by specialized judicial bodies that address investment disputes and by regulatory agencies responsible for monitoring compliance and facilitating investor support. However, procedural inefficiencies, overlapping mandates, and delays in inter-agency coordination occasionally undermine the full realization of legislative intent. A comprehensive legal analysis must therefore incorporate not only the substantive provisions of the Investment Law but also the procedural pathways and institutional dynamics that determine its practical effectiveness in attracting and protecting foreign investment²³⁷.

Rather than presenting the relevant provisions of the Jordanian Companies Law and Investment Law in a purely descriptive and sequential manner, the present study adopts an analytical approach that classifies these legal rules according to their functional relevance to foreign direct investment attraction. This approach is more consistent with the theoretical framework developed earlier in the chapter, since it allows the legal text to be examined in light of its expected effect on investor confidence, market entry, procedural efficiency, and legal certainty. Accordingly, the table below provides a structured analytical overview of the principal legal dimensions through which the Jordanian legislative framework may influence the attraction of foreign investment. Based on above, below table show functional legal dimensions of the Jordanian investment framework and their expected impact on FDI.

Table 2.2 Jordan's Investment Framework and Its Expected Impact on FDI

Legal Dimension	Relevant Rule / Legal Provision	Expected Impact on FDI	Theoretical Link
Investor Protection	Freedom to transfer profits and capital	Reduces the risk of capital retention and enhances investor confidence	Institutional Theory
Incentives	Customs and tax exemptions	Lowens entry and operational costs	Legal-Incentive Approach

²³⁷ Khalifa, M. M. M. (2024). The impact of disputes and mandatory law application on investment in Jordanian law. In *Frontiers of Human Centricity in the Artificial Intelligence-Driven Society*. Springer. https://doi.org/10.1007/978-3-031-73545-5_87

Legal Dimension	Relevant Rule / Legal Provision	Expected Impact on FDI	Theoretical Link
Company Formation	Simplified registration and licensing procedures	Reduces time-related and administrative costs	Regulatory Efficiency / Neoliberal Perspective
Dispute Settlement	Arbitration and grievance mechanisms	Enhance legal certainty and trust in enforcement	Institutional Theory
Corporate Governance	Disclosure, accountability, and shareholder protection rules	Strengthens confidence in the business environment	Institutional Theory
Legislative Stability	Coherence between Companies Law and Investment Law	Reduces legal uncertainty and improves predictability	Institutional Theory
Administrative Facilitation	Digitization, procedural simplification, and one-stop services	Improves ease of doing business and investment accessibility	Regulatory Efficiency
Developmental Orientation	Legal support for job creation, value added, and sustainable growth	Strengthens long-term legitimacy of the investment environment	Developmental Perspective

The foregoing table demonstrates that the Jordanian legal framework governing foreign investment may be understood not merely as a collection of isolated statutory provisions, but as an integrated set of legal and institutional dimensions that influence foreign investors' decisions through different but interrelated pathways. In this sense, Companies Law and Investment Law affect FDI attraction not only by conferring formal rights and incentives, but also by shaping legal certainty, procedural efficiency, investor protection, and institutional credibility. The significance of this analytical classification lies in its ability to move beyond a purely descriptive reading of legislation and toward a more functional assessment of how specific legal rules contribute to the attractiveness of the investment environment. On this basis, the following sections examine the Jordanian legal framework in greater detail by analyzing the principal legal dimensions identified above and clarifying how they operate collectively to influence the attraction and sustainability of foreign investment in Jordan.

2.5.2.5 The Jordanian Investment Law of 2023

The Jordanian Investment Law of 2023 is a pivotal piece of legislation that aims to stimulate and attract foreign investments to the country. The law is designed to create an attractive and competitive environment for foreign investors, while also promoting

domestic economic growth and diversification. This section provides an overview of the law, its key provisions, and the impact it has had on foreign investment in Jordan.

The Jordanian Investment Law has evolved over the years, with the most recent amendment taking place in 2023. Before this amendment, the law underwent several revisions to accommodate the changing needs of the economy and the global investment landscape²³⁸. The 2023 amendment was enacted in response to the increasing competition for foreign investment in the Middle East and North Africa region, aiming to position Jordan as an attractive destination for foreign capital ²³⁹.

The Jordanian Investment Law plays a pivotal role in the country's economic growth and development by providing a conducive environment for local and foreign investors. This section aims to explore the historical development of the Investment Law in Jordan, highlighting the key milestones and amendments throughout its history²⁴⁰. The roots of the Jordanian Investment Law can be traced back to the 1950s, following the establishment of the Hashemite Kingdom of Jordan in 1946. The initial investment law aimed to attract foreign capital to stimulate economic growth and development. However, the first comprehensive investment law was enacted in 1973²⁴¹.

The 1973 Investment Law marked the beginning of a more modernized legal framework to attract and regulate investments in Jordan. This law provided a range of incentives and guarantees to investors, such as tax exemptions, reduced tariffs on imported raw materials, and protection against nationalization and expropriation. The law also established the Jordan Investment Promotion Corporation (JIPC) to streamline investment procedures and promote Jordan as an attractive destination for investment (Jordan Investment Board, 2021). In 1987, the Investment Law was amended to further enhance the investment climate in the country. The amendments introduced more incentives and

²³⁸ Alhuniet, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

²³⁹ Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*.

²⁴⁰ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁴¹ AlZboon, M. I. (2025). External shocks and foreign investment in Jordan. In *Innovative Law and Business in the Digital Era* (pp. 65–79). Springer. https://doi.org/10.1007/978-981-96-5773-5_5

guarantees for investors, such as extending tax exemptions, providing subsidized loans for specific projects, and facilitating the process of obtaining work permits for foreign employees. The 1995 Investment Law was a significant milestone in the evolution of the Jordanian Investment Law. It aimed to create a more investment-friendly environment by simplifying investment procedures, offering additional incentives, and expanding the sectors eligible for investment. The law also restructured the JIPC, transforming it into the Jordan Investment Board (JIB) with expanded responsibilities and powers²⁴².

The 2003 amendments to the Investment Law came in response to Jordan's accession to the World Trade Organization (WTO) and the requirements of the EU-Jordan Association Agreement. These amendments aimed to create a more open investment environment by easing foreign investment restrictions, liberalizing investment in specific sectors, and streamlining procedures for establishing investment projects. The 2014 Investment Law represented another significant step in the development of the legal framework governing investments in Jordan. This law sought to create a more transparent, efficient, and attractive investment environment. It established the Jordan Investment Commission (JIC) by merging the JIB with other relevant agencies and introducing new provisions for investment incentives and guarantees. In 2017, the Investment Law was further amended to enhance the business environment and improve the competitiveness of the Jordanian economy. The amendments included the introduction of investment windows, simplifying the procedures for establishing and operating investment projects and providing additional incentives for specific sectors, such as renewable energy, information technology, and tourism²⁴³.

The history of the Jordanian Investment Law demonstrates a continuous effort to create a more attractive and conducive environment for local and foreign investors. The law has undergone several significant amendments and reforms to adapt to the changing economic landscape and global trends. As Jordan continues to strive for economic growth

²⁴² Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets*. CRC Press. <https://doi.org/10.1201/9781032667478-13>

²⁴³ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

and development, the Investment Law is likely to evolve further to maintain an effective and modern legal framework for investment.

The Jordanian Investment Law of 2023 constitutes a cornerstone in the country's ongoing efforts to modernize its investment climate and attract sustainable foreign capital. The law consolidates various legal and institutional reforms aimed at enhancing Jordan's competitiveness as an investment destination while ensuring that foreign capital contributes effectively to national development objectives. Its key provisions encompass investment incentives, legal guarantees, dispute resolution mechanisms, and sectoral priorities all designed to foster transparency, stability, and investor confidence within the Kingdom's legal framework²⁴⁴.

Foremost among these provisions are the investment incentives established under the law, which include both financial and non-financial benefits intended to stimulate foreign capital inflows. Financial incentives consist primarily of tax exemptions, reductions in customs duties, and exemptions from certain fees associated with industrial and commercial activities. Non-financial incentives, on the other hand, focus on administrative facilitation, such as streamlined licensing procedures, digitalized approval processes, and expedited access to government services. These measures collectively aim to minimize bureaucratic barriers, reduce operational costs, and enhance the ease of doing business for foreign investors²⁴⁵.

Equally significant are the investment guarantees enshrined in the law, which provide robust protection for foreign investors against arbitrary state actions. The law explicitly safeguards investors' rights to freely repatriate profits, dividends, and capital, thereby ensuring liquidity and financial flexibility. Moreover, it prohibits expropriation and nationalization except in cases of public interest and only upon the provision of prompt and fair compensation. Such guarantees are essential for strengthening investor trust and

²⁴⁴ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁴⁵ Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets*. CRC Press. <https://doi.org/10.1201/9781032667478-13>

aligning Jordan's legal framework with international best practices in investment protection²⁴⁶.

Another critical aspect of the law is its dispute resolution framework, which reinforces legal certainty and confidence in the Jordanian investment environment. The legislation affords foreign investors the option to pursue international arbitration in accordance with recognized global conventions, including the ICSID and the UNCITRAL Arbitration Rules. By incorporating internationally accepted mechanisms for dispute settlement, the law underscores Jordan's commitment to impartiality and to upholding the rule of law in resolving investment-related conflicts²⁴⁷.

Finally, the 2023 Investment Law delineates priority sectors for investment, thereby aligning foreign capital with the nation's long-term strategic goals. These sectors include renewable energy, tourism, agriculture, and manufacturing areas identified as pivotal to Jordan's economic diversification and sustainable growth agenda. By directing incentives and support toward these industries, the government seeks to promote value-added production, job creation, and technological innovation, contributing to the realization of Jordan's Economic Modernization Vision 2033²⁴⁸.

The Jordanian Investment Law of 2023 reflects a forward-looking approach that integrates investor protection, administrative efficiency, and developmental alignment. Through its comprehensive set of incentives, guarantees, and institutional safeguards, the law provides a coherent legal foundation that not only attracts foreign investment but also ensures its alignment with national economic priorities and sustainable development principles²⁴⁹.

²⁴⁶ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁴⁷ Khalifa, M. M. M. (2024). The impact of disputes and mandatory law application on investment in Jordanian law. In *Frontiers of Human Centricity in the Artificial Intelligence Era* (Chapter 87). Springer. https://doi.org/10.1007/978-3-031-73545-5_87

²⁴⁸ Alhuniati, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

²⁴⁹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

2.5.2.6 Government Efforts to Attract Foreign Direct Investment

The Jordanian government has undertaken a series of strategic initiatives aimed at strengthening the country's investment climate and enhancing its global competitiveness as an investment destination. These measures reflect a comprehensive policy framework designed to attract, facilitate, and sustain foreign direct investment (FDI), while aligning capital inflows with national development objectives and the principles of economic sustainability²⁵⁰. The most significant among these initiatives include the enactment of modern investment legislation, the establishment of specialized investment promotion institutions, and the pursuit of international trade integration through free trade agreements²⁵¹.

Foremost among these efforts is the promulgation of the Jordanian Investment Law of 2023, which serves as the central legislative instrument governing both domestic and foreign investment activities in the Kingdom. The law provides a balanced mix of financial and non-financial incentives, including extensive tax exemptions, reduced customs duties, and exemptions from certain service and licensing fees. Moreover, it introduces streamlined bureaucratic procedures, digitalized registration processes, and a unified investment window measures that significantly enhance administrative efficiency and transparency. By simplifying the procedural landscape and reducing the cost of doing business, the law has positioned Jordan as one of the more investor-friendly jurisdictions in the Middle East, particularly for medium and long-term projects in manufacturing, renewable energy, and services²⁵².

Complementing this legislative framework is the establishment of institutional mechanisms dedicated to investment promotion, most notably the Jordan Investment Commission (JIC). The JIC plays a pivotal role in facilitating and coordinating investment-related activities, acting as a one-stop agency that assists investors in navigating regulatory requirements, securing necessary permits, and accessing government services. In addition

²⁵⁰ World Bank. (2022). Jordan. World Bank Group.

²⁵¹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁵² Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets*. CRC Press. <https://doi.org/10.1201/9781032667478-13>

to its facilitation functions, the Commission engages in proactive promotion of investment opportunities across strategic sectors such as renewable energy, ICT, tourism, and pharmaceuticals through targeted outreach campaigns, international roadshows, and partnerships with foreign chambers of commerce. By consolidating investment-related responsibilities under a single institutional umbrella, the JIC enhances policy coherence and minimizes bureaucratic fragmentation, thereby improving investor confidence and institutional accountability²⁵³.

A further cornerstone of Jordan's investment attraction strategy is the country's extensive network of free trade agreements (FTAs) with key global and regional partners. Jordan has successfully negotiated and implemented several FTAs, including with the United States, the European Union, and multiple Arab and regional blocs, granting preferential market access to over one billion consumers. These agreements not only expand export opportunities for Jordanian producers but also make the Kingdom an attractive export-oriented investment hub for multinational corporations seeking to access markets in Europe, North America, and the Middle East²⁵⁴. By integrating its economy into global value chains, Jordan leverages these agreements to attract investors interested in production, assembly, and re-export operations, thus amplifying the spillover benefits of FDI across various sectors²⁵⁵.

The Jordanian government's multi-pronged approach anchored in progressive legislation, institutional facilitation, and international trade integration has significantly improved the country's ability to attract and retain foreign investment. However, sustaining this momentum requires ongoing policy coordination, continued investment in digital governance, and alignment of incentive structures with national economic priorities. By maintaining a clear, predictable, and investor-oriented policy framework, Jordan can

²⁵³ Brik, A. B., Ayasrah, W., & Suleiman, M. (2025). Evaluation in Jordan. In *The Institutionalization of Evaluation in the MENA Region*.

²⁵⁴ Tovias, A., & Al-Khouri, R. (2004). An evaluation of the potential economic effects of a bilateral free trade area agreement between Israel and Jordan in the context of the Euro-Mediterranean Partnership. *Israel Affairs*, 10(3). <https://doi.org/10.1080/1353712042000242617>

²⁵⁵ Malkawi, B. H., Mihalakas, A. P., & Valiullina, I. (2025). A league of nations in transition—Regional integration for the Arab Spring nations. *Willamette Journal of International Law and Dispute Resolution*.

further consolidate its reputation as a dynamic and reliable investment destination in the Middle East²⁵⁶.

2.5.2.7 The Importance of Foreign Direct Investment to the Jordanian Economy, Investment Environment, and on the Distribution of Foreign Investments between Sectors

Since the enactment of the 2023 amendment, Jordan has witnessed a significant increase in foreign direct investment (FDI) inflows, particularly in the identified priority sectors. The incentives and guarantees provided by the law have played a critical role in attracting multinational corporations, leading to the creation of new jobs and the transfer of technology and expertise. Furthermore, the law has contributed to a more favorable investment climate, which has been recognized by international organizations such as the World Bank²⁵⁷. The Jordanian Investment Law of 2023 has been successful in attracting foreign investment to the country by providing a comprehensive legal framework and a range of incentives and guarantees for investors. This has contributed to the growth of the Jordanian economy, the diversification of its industrial base, and the creation of new employment opportunities. However, it is crucial for Jordan to continually review and update its investment legislation to remain competitive in the global investment landscape²⁵⁸.

Foreign investment represents a cornerstone of Jordan's economic development strategy, serving as a vital mechanism for overcoming the structural limitations of a resource-scarce economy. Given Jordan's constrained natural endowments and relatively small domestic market, foreign capital inflows, technology transfers, and managerial expertise have become indispensable for sustaining economic growth and enhancing the country's global competitiveness. Since the early 1990s, the Jordanian government has recognized the transformative potential of foreign direct investment (FDI) and has

²⁵⁶ Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*.

²⁵⁷ Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*.

²⁵⁸ Jubran, A., Radaideh, M. K., & Al-Sawaie, K. M. (2025). The impact of foreign direct investment on job opportunities in the Jordanian economy. In *From Machine Learning to Sustainable Futures*. Springer. https://doi.org/10.1007/978-3-031-76011-2_120

embarked on comprehensive reforms aimed at liberalizing its economy, improving the business climate, and integrating more fully into global markets²⁵⁹.

Over the past three decades, Jordan has succeeded in attracting notable FDI inflows, particularly in sectors that align with its comparative advantages and national development priorities. Key recipient sectors include tourism, information and communication technology (ICT), renewable energy, and manufacturing, which collectively represent the backbone of Jordan's economic diversification efforts. For example, the ICT sector has benefited significantly from partnerships with multinational firms, leading to increased digital innovation and job creation, while the renewable energy sector has witnessed substantial FDI-driven expansion that has contributed to Jordan's transition toward energy sustainability and reduced reliance on imported fuels²⁶⁰. The significance of foreign investment to the Jordanian economy can be analyzed through several interrelated dimensions. First, capital inflows play an essential role in compensating for the country's limited domestic savings and fiscal capacity. FDI provides a stable and long-term source of external financing for infrastructure, energy, and water management projects, which are crucial for improving productivity and supporting social development. Without these inflows, many strategic projects such as energy diversification initiatives and transport modernization would face considerable funding constraints²⁶¹.

Second, FDI facilitates technology transfer and knowledge diffusion, enabling the adoption of advanced production methods, digital systems, and managerial practices. Multinational enterprises operating in Jordan act as conduits for global innovation, introducing modern technologies and process efficiencies that enhance local firms' competitiveness and stimulate skill development among Jordanian employees. This technological spillover effect contributes not only to increased productivity but also to the broader modernization of industrial and service sectors²⁶².

²⁵⁹ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

²⁶⁰ Jubran, A., Radaideh, M. K., & Al-Sawaie, K. M. (2025). The impact of foreign direct investment on job opportunities in the Jordanian economy. In *From Machine Learning to Sustainable Futures*. Springer. https://doi.org/10.1007/978-3-031-76011-2_120

²⁶¹ World Bank. (2022). Jordan. World Bank Group.

²⁶² Phi, V. T., Tran, K. H., Hoang, V. H., & Dong, V. C. (2024). The role of foreign direct investment in technology development in Vietnam. *Cogent Social Sciences*, 10(1). <https://doi.org/10.1080/23311886.2023.2300514>

Third, foreign investment has emerged as a major driver of job creation, both directly and indirectly. The establishment of foreign-owned enterprises generates direct employment opportunities, while ancillary sectors such as logistics, construction, and professional services experience secondary employment growth through supply chain linkages. Moreover, FDI-driven firms often promote higher labor standards and professional training, thereby contributing to human capital development and long-term workforce resilience²⁶³.

Finally, FDI contributes to export promotion and market diversification, enabling Jordanian firms to access international value chains and reduce their dependence on domestic demand. Through partnerships with global investors, Jordan has expanded its export portfolio to include value-added manufactured goods, ICT services, and renewable energy technologies. This integration into global trade networks enhances the country's foreign exchange earnings, stabilizes its balance of payments, and mitigates vulnerability to regional economic fluctuations²⁶⁴.

Foreign investment constitutes a key pillar of Jordan's growth model, driving economic diversification, job creation, and technological advancement. While the inflows of foreign capital have significantly strengthened the country's macroeconomic fundamentals, sustaining this momentum requires continuous policy innovation, improved regulatory coherence, and further alignment of investment strategies with national development priorities. The following sections will examine the sectoral impact and policy dimensions of FDI in Jordan, providing an empirical foundation for assessing its long-term economic and legal implications²⁶⁵.

The Jordanian Investment Law of 2023 plays a pivotal role in shaping the Kingdom's investment climate and defining the relationship between the state and foreign investors. By establishing a clear legal framework that integrates incentives, guarantees, and dispute resolution mechanisms, the law seeks to attract sustainable foreign capital,

²⁶³ Jubran, A., Radaideh, M. K., & Al-Sawaie, K. M. (2025). The impact of foreign direct investment on job opportunities in the Jordanian economy. In *From Machine Learning to Sustainable Futures*. Springer. https://doi.org/10.1007/978-3-031-76011-2_120

²⁶⁴ Tovias, A., & Al-Khour, R. (2004). An evaluation of the potential economic effects of a bilateral free trade area agreement between Israel and Jordan in the context of the Euro-Mediterranean Partnership. *Israel Affairs*, 10(3). <https://doi.org/10.1080/1353712042000242617>

²⁶⁵ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

enhance investor confidence, and stimulate broad-based economic growth. As a cornerstone of Jordan's economic reform agenda, it not only codifies the rights and obligations of investors but also reflects the government's broader commitment to transparency, stability, and competitiveness in the regional and global investment landscape²⁶⁶.

At its core, the 2023 Investment Law provides an integrated framework that governs the treatment of foreign investors, ensuring their protection against arbitrary practices and granting them equal access to opportunities available to domestic investors. By offering a combination of investment incentives, legal safeguards, and institutional facilitation, the law aims to transform Jordan into a secure and predictable investment destination. These legislative reforms have begun to yield measurable outcomes, particularly in attracting new foreign direct investment (FDI) and revitalizing key sectors of the national economy²⁶⁷.

One of the most tangible impacts of the law is the increase in FDI inflows recorded since its enactment, with notable growth in sectors such as tourism, information technology, renewable energy, and manufacturing. These sectors have benefited from targeted incentives, including tax exemptions and administrative streamlining, which have lowered entry barriers and operational costs. The diversification of investment portfolios within these industries has not only generated employment opportunities but also contributed to the country's foreign exchange reserves and balance of payments stability²⁶⁸.

The law has also contributed to economic diversification, a long-standing strategic objective of the Jordanian government. Historically reliant on extractive and agricultural industries, Jordan has succeeded in attracting capital toward non-traditional sectors such as logistics, education, and digital technology. This diversification reduces the economy's exposure to global commodity price volatility and enhances its resilience to regional shocks. The shift toward a more diversified economic structure underscores the

²⁶⁶ Alhuniati, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

²⁶⁷ Khalifa, M. M. M. (2024). The impact of disputes and mandatory law application on investment in Jordanian law. In *Frontiers of Human Centricity in the Artificial Intelligence-Driven Society*. Springer. https://doi.org/10.1007/978-3-031-73545-5_87

²⁶⁸ Al Rawashdeh, R., & Campbell, G. (2024). Mineral policy in MENA countries: The case of Jordan. *Mineral Economics*. <https://doi.org/10.1007/s13563-024-00419-0>

effectiveness of the legal reforms in aligning investment flows with national development goals²⁶⁹.

Another significant outcome of the 2023 law is the improvement of the regulatory environment, particularly through the simplification of bureaucratic procedures and the establishment of transparent administrative mechanisms. The integration of digital platforms for licensing, the consolidation of investment procedures within the Jordan Investment Commission (JIC), and the introduction of one-stop investment services have collectively enhanced efficiency and reduced administrative uncertainty. These measures have improved Jordan's ranking in various international indices related to ease of doing business and regulatory transparency²⁷⁰.

Moreover, the comprehensive package of incentives and legal guarantees has enhanced Jordan's competitiveness as an investment destination relative to its regional peers. Investors now view Jordan as a stable gateway to regional markets, benefiting from its network of free trade agreements and its reputation for political moderation and rule of law. The combination of tax incentives, protection from expropriation, and access to international arbitration frameworks has created a climate of confidence that is particularly appealing to long-term strategic investors²⁷¹.

In essence, the Jordanian Investment Law of 2023 has contributed substantially to strengthening the legal, institutional, and economic pillars of the investment environment. By integrating protection and facilitation within a unified legal framework, the law has not only attracted higher levels of FDI but also fostered diversification, transparency, and competitiveness. Nevertheless, while these achievements are significant, challenges remain in ensuring the sustainability of these gains particularly in addressing structural issues related to infrastructure, skilled labor, and regulatory coherence. These challenges will be

²⁶⁹ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. SAGE Open. <https://doi.org/10.1177/21582440261431268>

²⁷⁰ Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets*. CRC Press. <https://doi.org/10.1201/9781032667478-13>

²⁷¹ Rutherford, A. (2025). Investor obligations in international investment agreements: Exploring responsible foreign investment. In *Corporate Responsibility and Accountability in Business Law*. Routledge. <https://doi.org/10.4324/9781003683636-10>

further examined in subsequent sections that assess the practical implications of the law and its measurable outcomes through empirical analysis²⁷².

The Jordanian Investment Law, most recently updated in 2023, has emerged as a key legislative instrument shaping the pattern and distribution of foreign direct investment (FDI) across the national economy. By establishing a transparent legal framework and offering well-defined incentives, the law has strategically directed foreign capital toward sectors identified as priorities for national development. This alignment between legal reform and economic planning has facilitated a more balanced and sustainable pattern of investment inflows, consistent with Jordan's long-term development vision²⁷³.

A central feature of the law is its targeted incentive system, which provides customized financial and non-financial benefits to investors operating in specific strategic sectors such as tourism, renewable energy, information technology, and manufacturing. These incentives include tax holidays, exemptions from customs duties, and access to simplified administrative procedures, all of which reduce entry barriers and operational costs for investors. The targeted nature of these incentives has effectively channeled investment toward high-value sectors capable of generating employment, promoting technological transfer, and supporting Jordan's transition toward a knowledge-based economy²⁷⁴.

Additionally, the law's sector-specific regulations have created a more transparent and predictable environment for investors, reducing uncertainty and reinforcing the rule of law. By clarifying the legal requirements, ownership structures, and licensing procedures within each sector, the law has minimized regulatory ambiguity and strengthened investor confidence. For instance, in sectors such as renewable energy, where long-term contracts and large-scale infrastructure projects are prevalent, the clarity of the legal framework has

²⁷² Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. SAGE Open.

<https://doi.org/10.1177/21582440261431268>

²⁷³ Alhuniet, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22

²⁷⁴ Jubran, A., Radaideh, M. K., & Al-Sawaie, K. M. (2025). The impact of foreign direct investment on job opportunities in the Jordanian economy. In *From Machine Learning to Sustainable Futures*. Springer. https://doi.org/10.1007/978-3-031-76011-2_120

been instrumental in attracting multinational energy firms and international financial institutions²⁷⁵.

A further element shaping the distribution of FDI is the establishment of special development zones and investment clusters, designed to provide additional incentives and regulatory flexibility to investors. These zones such as the Aqaba Special Economic Zone and the King Hussein Business Park offer preferential tax treatment, streamlined customs procedures, and infrastructure advantages. By clustering investment in these zones, Jordan has been able to attract large-scale foreign projects, promote regional development, and facilitate technology spillovers to local enterprises²⁷⁶.

Empirically, the impact of the Jordanian Investment Law on sectoral distribution is evident in several measurable trends. First, there has been a marked increase in foreign investment in key priority sectors, notably tourism, renewable energy, information technology, and manufacturing. Tourism has benefited from infrastructure modernization and enhanced promotional campaigns, while renewable energy has emerged as one of Jordan's fastest-growing sectors due to supportive feed-in tariffs and transparent regulatory frameworks. Similarly, the ICT sector has experienced sustained growth as global tech companies expand their regional operations in Amman's innovation hubs²⁷⁷.

Second, the law has contributed to the diversification of the Jordanian economy, steering investments away from traditional sectors such as mining and agriculture and toward more value-added industries. This diversification has helped stabilize the economy by reducing dependence on commodity cycles and promoting more balanced regional development²⁷⁸.

Third, the legislative framework has fostered the growth of emerging sectors, particularly in renewable energy and information technology, which now play a central role

²⁷⁵ Alnsour, J. (2026). Dynamic links between renewable and nonrenewable energy, natural resources, technological innovation, urbanization, and environmental sustainability in Jordan. *International Journal of Energy and Water Resources*. <https://doi.org/10.1007/s42108-025-00454-9>

²⁷⁶ Kontakos, P. (2026). Foreign direct investment in the Eastern Mediterranean: Sustainability and cultural alignment.

²⁷⁷ Alnsour, J. (2026). Dynamic links between renewable and nonrenewable energy, natural resources, technological innovation, urbanization, and environmental sustainability in Jordan. *International Journal of Energy and Water Resources*. <https://doi.org/10.1007/s42108-025-00454-9>

²⁷⁸ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*. <https://doi.org/10.1177/21582440261431268>

in Jordan's economic transformation. By facilitating access to foreign expertise and capital, the law has enabled these sectors to evolve into engines of innovation, employment, and sustainable development²⁷⁹.

In summary, the Jordanian Investment Law of 2023 has successfully influenced the structure and composition of foreign investment in Jordan by directing it toward strategic, high-growth, and sustainable sectors²⁸⁰. Through targeted incentives, regulatory clarity, and the establishment of development zones, the law has reinforced Jordan's position as a dynamic and competitive investment hub in the Middle East. However, sustaining this positive trajectory requires continuous policy evaluation, alignment with technological trends, and adaptive legal reforms to maintain momentum in emerging industries and ensure long-term economic resilience²⁸¹.

2.5.2.9 Challenges and Future Prospects for Foreign Direct Investment in Jordan

While the Jordanian Investment Law of 2023 represents a substantial advancement in enhancing the country's investment climate and attracting foreign capital, several structural and contextual challenges continue to hinder its full potential²⁸². These challenges span across infrastructural, human capital, regulatory, political, and market dimensions, underscoring the need for a comprehensive policy approach to ensure that legislative reforms translate into tangible economic outcomes²⁸³.

One of the most pressing challenges lies in infrastructure development, which constitutes a cornerstone of any successful investment environment. Despite ongoing governmental efforts, Jordan continues to face deficiencies in key infrastructure sectors particularly transportation, telecommunications, and energy. The capacity and reliability of these systems remain inadequate to support large-scale industrial and logistical operations,

²⁷⁹ Adam, I., & Amoah, J. O. (2025). The green frontier: How foreign direct investment and knowledge economy innovations drive effective carbon management. *Journal of the Knowledge Economy*.

<https://doi.org/10.1007/s13132-025-02798-3>

²⁸⁰ Khwaleh, K. M. (2026). The legislative legacy of WTO accession: A retrospective analysis of Jordan's industrial transformation (2000–2025). *Frontiers in Political Science*.

<https://doi.org/10.3389/fpos.2026.1790316>

²⁸¹ Khalifa, M. M. M. (2024). The impact of disputes and mandatory law application on investment in Jordanian law. In *Frontiers of Human Centricity in the Artificial Intelligence-Driven Society*. Springer.

https://doi.org/10.1007/978-3-031-73545-5_87

²⁸² World Bank. (2022). Jordan. World Bank Group.

²⁸³ Khwaleh, K. M. (2026). The legislative legacy of WTO accession: A retrospective analysis of Jordan's industrial transformation (2000–2025). *Frontiers in Political Science*.

thus constraining the ability of foreign investors to establish or expand their activities efficiently. Enhancing public-private partnerships and leveraging foreign investment for infrastructure financing could significantly mitigate these constraints and improve Jordan's investment attractiveness²⁸⁴.

Another critical challenge concerns the availability of a skilled workforce capable of supporting high-value and technology-intensive investments. Although Jordan has made notable strides in education, a persistent mismatch exists between the skills produced by the educational system and those demanded by investors in emerging sectors such as renewable energy, ICT, and advanced manufacturing. Addressing this skills gap requires targeted vocational training programs, closer collaboration between industry and academia, and the integration of innovation-driven curricula to foster a more adaptive and capable labor force²⁸⁵.

From a legal and administrative perspective, regulatory reform remains an ongoing necessity. While the 2023 law successfully streamlined many bureaucratic procedures, investors continue to encounter overlapping regulations, fragmented institutional responsibilities, and occasional delays in licensing and approvals. Establishing a unified investment facilitation agency and further digitalizing government services could reduce transaction costs, enhance transparency, and promote a more business-friendly environment²⁸⁶.

In addition to domestic challenges, political stability continues to play a pivotal role in shaping investor perceptions. Jordan's reputation for political moderation and security has historically differentiated it from other countries in the region²⁸⁷; however, maintaining this stability requires continuous vigilance and policy coherence. Any perception of

²⁸⁴ Al-Oun, S., AlMaaitah, M. F., & Al-Azamat, A. M. (2025). Sustainable energy transition in Jordan: The interplay of regulatory frameworks and infrastructure. *Energies*, 18(5), 1220.

²⁸⁵ Yahchouchi, G., & Rotabi, S. (2025). Government initiatives and policies promoting AI adoption in the MENA. In *Artificial Intelligence for Growth and Business: A Transformative Force*. Springer.

²⁸⁶ Ramadan, A. (2026). Financing the future: Green investment, policy innovation and sustainable energy transitions in Egypt and Jordan. *Management & Sustainability: An Arab Review*.

²⁸⁷ Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*. <https://doi.org/10.1177/21582440261431268>

uncertainty whether political or regulatory can quickly deter long-term investment commitments²⁸⁸.

Moreover, regional instability remains a structural impediment to investment confidence. The ongoing political and economic volatility in parts of the Middle East has led some investors to adopt a cautious approach toward the entire region, including Jordan. Although Jordan itself has remained comparatively stable, its geographic proximity to areas of conflict underscores the importance of maintaining strong diplomatic relations and diversifying economic partnerships beyond the immediate region²⁸⁹.

Another factor constraining investment expansion is Jordan's limited domestic market size, which restricts economies of scale and limits consumer demand. As a small economy, Jordan must therefore position itself as a regional investment hub leveraging trade agreements and its strategic geographic location to attract export-oriented investments that target larger regional and international markets rather than domestic consumption alone²⁹⁰.

Additionally, infrastructure constraints particularly in transport logistics and energy supply continue to pose operational challenges. High energy costs, congestion, and logistical inefficiencies can diminish the competitiveness of foreign-invested enterprises. These issues highlight the necessity of integrated infrastructure planning and the adoption of renewable energy solutions to ensure sustainable industrial growth²⁹¹.

Finally, the skills gap within the labor market persists as a significant bottleneck to investment-driven development. Despite the presence of a relatively young and educated population, shortages in specialized technical and managerial skills limit the ability of foreign firms to localize operations and build long-term capacity. Bridging this gap requires coordinated policies that link education reform with industrial development strategies²⁹².

²⁸⁸ Gharaibeh, O. K., & Kharabsheh, B. (2022). Corruption, political instability and their impact on investment: An FMOLS approach. *Investment Management and Financial Innovations*.

²⁸⁹ World Bank. (2022). Jordan. World Bank Group.

²⁹⁰ Tovias, A., & Al-Khouri, R. (2004). An evaluation of the potential economic effects of a bilateral free trade area agreement between Israel and Jordan in the context of the Euro-Mediterranean Partnership. *Israel Affairs*, 10(3). <https://doi.org/10.1080/1353712042000242617>

²⁹¹ Al-Oun, S., AlMaaitah, M. F., & Al-Azamat, A. M. (2025). Sustainable energy transition in Jordan: The interplay of regulatory frameworks and infrastructure. *Energies*, 18(5), 1220.

²⁹² Yahchouchi, G., & Rotabi, S. (2025). Government initiatives and policies promoting AI adoption in the MENA. In *Artificial Intelligence for Growth and Business: A Transformative Force*. Springer.

The Jordanian Investment Law of 2023 has markedly improved the legal and institutional framework for foreign investment; its success ultimately depends on addressing these complementary challenges. Sustained infrastructure investment, human capital development, regulatory efficiency, and continued political stability are essential prerequisites for transforming legislative reforms into sustainable economic gains. By overcoming these constraints, Jordan can solidify its position as a leading investment destination in the Middle East and ensure that foreign investment contributes meaningfully to inclusive and long-term economic growth²⁹³.

2.6 ANALYTICAL LINK BETWEEN THE THEORETICAL FRAMEWORK AND THE EMPIRICAL MODEL

The analytical value of the present study lies not only in the richness of its theoretical discussion, but also in its ability to translate that discussion into an empirically testable model. The theoretical framework developed in this chapter particularly Institutional Theory, the Legal-Incentive Approach, Dunning's Location-based perspective, and the Neoliberal perspective establishes that foreign direct investment is shaped by a combination of legal certainty, institutional credibility, procedural efficiency, incentive structures, and broader developmental legitimacy. These theoretical perspectives collectively suggest that foreign investors respond not merely to economic opportunity in the abstract, but to the practical quality of the legal and administrative environment within which investment is initiated, protected, and sustained. On this basis, the empirical model of the study was constructed by transforming the main theoretical propositions into measurable analytical dimensions that correspond directly to the study's hypotheses, questions, and objectives. In other words, the transition from theory to empirics in this research is neither descriptive nor incidental; rather, it reflects a deliberate process of conceptual operationalization in which abstract legal and institutional ideas such as legislative clarity, investor guarantees, procedural facilitation, governance quality, and socio-economic impact are reformulated as study variables capable of empirical assessment. This analytical link is particularly important because it demonstrates that the questionnaire and the subsequent statistical analysis are not detached methodological

²⁹³ Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>

instruments, but rather extensions of the theoretical argument developed earlier in the chapter. Consequently, the empirical model serves as the practical testing ground for the study's central proposition: that the Companies Law and the Investment Law in Jordan influence the attraction of foreign investment through identifiable legal, procedural, institutional, and developmental pathways.

Based on above, the table below shows analytical link between the theoretical framework and the empirical model

Table 2.2 Analytical Link Between the Theoretical Framework and the Empirical Model

Measurement Method	Related Hypotheses	Study Variable	Legal / Institutional Dimension	Theoretical Framework
Questionnaire items	H1, H8	Legal Transparency and Legislative Clarity	Legislative clarity, legal stability, and regulatory coherence	Institutional Theory
Questionnaire items	H2	Legal Attractiveness of the Companies Law and Investment Law	Investor confidence shaped by coherent corporate and investment regulation	Institutional Theory
Questionnaire items	H3	Incentives and Advantages	Tax exemptions, customs privileges, facilitation measures, and legal advantages	Legal-Incentive Approach
Questionnaire items and analytical interpretation	H4	Socio-economic and Developmental Impact	Justice, equity, sustainability, and developmental legitimacy of legal reform	Developmental Perspective
Questionnaire items	H5	Governmental Engagement in Investment Attraction	Government support, investment promotion, and active institutional engagement	Institutional Theory / Governance Perspective
Questionnaire items and contextual legal analysis	H6	Legal Contribution to Foreign Participation in the Amman Stock Exchange	Legal integration of investment rules with capital-market participation	OLI / Financial-Market Perspective
Questionnaire items	H7	Legislative–Executive Coordination	Coordination between legislative and executive bodies in legal reform and implementation	Institutional Theory

Measurement Method	Related Hypotheses	Study Variable	Legal / Institutional Dimension	Theoretical Framework
Questionnaire items	H8	Legislative Policy Appropriateness	Adequacy, coherence, and strategic alignment of legislative policy	Institutional Theory / Policy Coherence Perspective
Questionnaire items	H9	Judicial and Legal Guarantees	Arbitration, dispute settlement, judicial protection, and enforceability of investor rights	Legal-Incentive Approach / Institutional Theory
Questionnaire items	H10	Legal and Procedural Challenges	Bureaucracy, ambiguity, delays, and inconsistency in legal implementation	Critical Institutional Perspective

Table 2.2 demonstrates that each major construct examined in the empirical part of the study is grounded in a corresponding theoretical proposition and legal dimension. This alignment strengthens the internal coherence of the research design and ensures that the statistical analysis undertaken in later chapters is conceptually anchored in the broader theoretical and doctrinal foundations established in Chapter Two.

2.7 CHAPTER SUMMARY

This chapter has established the conceptual, empirical, and legal foundations upon which the present study is built. It began by developing a multi-dimensional theoretical framework for understanding foreign direct investment, drawing on Institutional Theory, the Legal-Incentive Approach, Dunning's Eclectic Paradigm, and the Neoliberal perspective. Collectively, these perspectives demonstrated that foreign investment attraction cannot be explained solely through economic variables but must also be understood in light of legislative clarity, institutional quality, legal guarantees, procedural efficiency, and the broader credibility of the host state's regulatory environment. In this respect, the chapter positioned the Companies Law and the Investment Law as central components of the legal and institutional architecture through which the Jordanian state signal's reliability, protection, and competitiveness to foreign investors.

The chapter then reviewed the relevant empirical literature at the international, regional, and Jordanian levels. This review demonstrated broad agreement across the literature that legal and institutional factors such as rule of law, regulatory quality, corporate governance, investor protection, and implementation capacity play a decisive role in

shaping FDI flows. At the same time, the review identified important limitations in prior scholarship, particularly the tendency to treat the Investment Law and the Companies Law separately, to focus more on incentives than on implementation, and to underexplore the relationship between legal design, institutional practice, and investor confidence in the Jordanian context. These observations provided the basis for articulating the research gap and clarifying the original position of the present study within the existing body of knowledge.

Thereafter, the chapter examined the legal framework governing foreign investment in Jordan, with particular attention to the Companies Law and the Investment Law as interrelated legal instruments rather than isolated statutory regimes. This part of the chapter demonstrated that the legal environment governing foreign investment in Jordan is not limited to formal incentives alone but includes a broader set of legal dimensions relating to corporate formation, ownership structures, governance standards, investor guarantees, dispute-settlement mechanisms, and the procedural regulation of foreign participation in the Jordanian market. By presenting these legal dimensions within a unified analytical structure, the chapter showed how domestic legislation forms a substantive part of Jordan's overall investment climate.

Finally, the chapter clarified the analytical connection between the theoretical framework and the empirical model. It explained how the principal theoretical propositions developed earlier in the chapter were translated into measurable study variables and linked directly to the hypotheses, thus ensuring internal coherence between the conceptual foundation of the research and its methodological design. In this way, the chapter has not merely reviewed theories and prior studies; it has constructed the conceptual logic that underpins the empirical investigation undertaken in the following chapters. Accordingly, Chapter Two serves as the intellectual bridge between the study's legal-theoretical foundations and its empirical examination of how the Companies Law, and the Investment Law affect the attraction of foreign investment in Jordan.

The next chapter builds upon this foundation by presenting the research methodology, including the study design, population and sample, instrument development, data-collection procedures, and statistical techniques employed to test the hypotheses derived from the analytical framework established in the present chapter.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

Having established the theoretical, empirical, and legal foundations of the study in the preceding chapter, the present chapter sets out the methodological framework through which the research questions and hypotheses are examined empirically. The previous chapter demonstrated that the attraction of foreign investment in Jordan is shaped by a complex interaction of legal certainty, institutional quality, investment incentives, governance structures, judicial guarantees, and procedural efficiency, all of which are embedded in the Companies Law and the Investment Law. Building upon that analytical foundation, this chapter explains how these conceptual and legal dimensions were translated into measurable variables and incorporated into the research design. It therefore presents the methodological procedures adopted for the study, including the research approach, study population and sample, instrument design, validity and reliability measures, data-collection procedures, and the statistical techniques employed to test the hypotheses. In this way, the chapter provides the operational bridge between the study's theoretical argument and its empirical assessment of how corporate and investment laws influence the attraction of foreign investment in the Hashemite Kingdom of Jordan 【】 .

3.2 RESEARCH DESIGN

The research design acts as a fundamental blueprint for studies spanning diverse disciplines, providing a structured framework for the methodical gathering and examination of pertinent data aligned with the research inquiries. It delineates the objectives of the study, offering insights into its background and units of analysis, while also incorporating hypotheses tailored to elucidate specific interconnections and relationships²⁹⁴.

²⁹⁴ Yadav, S. S., Gupta, S., & Choudhary, A. K. (2025). Scientific research methodology: Principles, tools, and techniques. CRC Press. <https://doi.org/10.1201/9781003664871>

3.3 POPULATION AND SAMPLING

2.7.2 Population

Population refers to the entire set of individuals or entities sharing common characteristics or origins. Osuala (2005) defined it as "the totality of all potential observations of the type under consideration"²⁹⁵. A sample, as defined by investorswords.com, denotes a subset of individuals or entities with shared characteristics, which serve as a basis for data collection and interpretation²⁹⁶.

It's noteworthy that research typically focuses on samples rather than entire populations. Selecting a representative sample from the target population remains a challenging task, with most experiments exhibiting varying degrees of sampling bias. Historically, researchers in the early 19th century sought to study entire populations, but this approach proved to be time-intensive and less efficient. Contemporary researchers opt for specific subsets (samples) of populations to infer broader conclusions. It's imperative for a sample to accurately represent its parent population and be adequately sized for statistical inference. A sample's primary function is to facilitate generalizations about the entire population based on study findings. In essence, the population "provides" the sample, and subsequent data are "extracted"²⁹⁷. While numerous sampling methods exist, this chapter underscores convenience sampling. It involves selecting participants based on their availability and willingness. Though often practical, this method can introduce significant biases, especially when participants might differ systematically from non-participants (volunteer bias). It's pivotal to note that such biases are present in all non-probability sampling techniques²⁹⁸.

This study seeks to enhance understanding regarding the impact of the Companies and Investment Law on attracting foreign investments in the Hashemite Kingdom of Jordan from a legal point of view. Thus, the study population consists of all lawyers working in

²⁹⁵ Osuala, E. C. (2005). Introduction to research methodology (3rd ed.). Africana-First Publishers.

²⁹⁶ Yadav, S. S., Gupta, S., & Choudhary, A. K. (2025). Scientific research methodology: Principles, tools, and techniques. CRC Press. <https://doi.org/10.1201/9781003664871>

²⁹⁷ Elliott, M. R., & Valliant, R. (2017). Inference for nonprobability samples. *Statistical Science*, 32(2), 249–264. <https://doi.org/10.1214/16-ST598>

²⁹⁸ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). Multivariate data analysis (8th ed.). Cengage.

the legal sector, who are listed in the records of the Jordanian Ministry of Justice, which totals 16,000 lawyers as of the end of 2022.

2.7.3 Sampling Method

In academic research, the selection of an appropriate research philosophy forms the epistemological and ontological foundation upon which the entire study is constructed. A research philosophy reflects a scholar's underlying beliefs about the nature of reality (ontology), the nature of knowledge (epistemology), and the methods suitable for acquiring that knowledge (methodology). The choice of philosophy is therefore not merely procedural but strategic shapes how data are collected, interpreted, and related to theoretical frameworks. The alignment between the research philosophy and the study's objectives ensures conceptual coherence, methodological rigor, and the validity of findings. Researchers can adopt various philosophical paradigms depending on the nature, purpose, and scope of their investigation. In quantitative descriptive research, for instance, structured questionnaires are often employed to gather numerical data, enabling researchers to summarize patterns, trends, and relationships within a population. When studies seek to explore relationships between variables without manipulating them, descriptive correlational designs are preferred, allowing for statistical examination of associations while maintaining a non-experimental framework²⁹⁹.

For exploratory studies that aim to uncover underlying dynamics or emergent patterns, researchers may adopt exploratory quantitative paradigms, often combining surveys and one-on-one interviews to obtain both measurable and contextual insights. More advanced inquiries employ inferential statistical methodologies, which allow for hypothesis testing, generalization beyond sample data, and the identification of causal or predictive relationships among variables³⁰⁰.

At the analytical level, confirmatory factor analysis (CFA) and structural equation modeling (SEM) represent sophisticated statistical techniques often used in modern social

²⁹⁹ Mbanaso, U. M., Abrahams, L., & Okafor, K. C. (2023). Research philosophy, design and methodology. In *Research techniques for the architecture, engineering and construction industry* (pp. xx–xx). Springer. https://doi.org/10.1007/978-3-031-30031-8_6

³⁰⁰ Foroudi, P., Palazzo, M., & Stone, M. (2021). Mixed-methods research: Why and how to use it. In *Contemporary issues in marketing and consumer behaviour* (pp. xx–xx). Routledge. <https://doi.org/10.4324/9781315544892-7>

science and management research. These methods test theoretical models by examining the strength and direction of relationships among latent constructs, thereby providing empirical validation of conceptual frameworks³⁰¹. Similarly, mixed methods approach, which integrate quantitative precision with qualitative depth, enable researchers to triangulate findings and generate a holistic understanding of complex phenomena. Within qualitative strands of mixed designs, semi-structured interviews offer flexibility balance consistency across participants with openness to explore unanticipated insights³⁰².

Ultimately, the understanding of research philosophies enables scholars to exercise methodological reflexivity, a conscious awareness of how their assumptions influence the research process. By mastering philosophical paradigms such as positivism, interpretivism, constructivism, and pragmatism, researchers can judiciously select and combine methods that align with their study's objectives, data characteristics, and theoretical lens. This philosophical alignment ensures methodological integrity, minimizes the risk of misapplication, and enhances the overall reliability and validity of the research outcomes³⁰³.

2.7.4 Justification for the Legal Analytical Method

The selection of the legal analytical method in this study is grounded in the nature and objectives of the research, which primarily seek to examine and interpret the provisions of Jordanian investment and company laws, as well as their implications for foreign investors. The analytical legal approach is theoretically justified because it allows for an in-depth examination of legal texts, judicial interpretations, and statutory frameworks to determine the extent to which these laws align with international standards and effectively support the attraction of foreign investment.

³⁰¹ Mellinger, C. D., & Hanson, T. A. (2021). Latent variables in translation and interpreting studies: Ontology, epistemology, and methodology. In *New directions in research epistemologies in cognitive translation and interpreting studies* (pp. xx–xx). Routledge. <https://doi.org/10.4324/9781003125792-7>

³⁰² Foroudi, P., Palazzo, M., & Stone, M. (2021). *Mixed-methods research: Why and how to use it*. In *Contemporary issues in marketing and consumer behaviour* (pp. xx–xx). Routledge. <https://doi.org/10.4324/9781315544892-7>

³⁰³ Mbanaso, U. M., Abrahams, L., & Okafor, K. C. (2023). *Research philosophy, design and methodology*. In *Research techniques for the architecture, engineering and construction industry* (pp. xx–xx). Springer. https://doi.org/10.1007/978-3-031-30031-8_6

From a theoretical standpoint, this method is consistent with doctrinal legal research, which emphasizes the systematic analysis of laws, principles, and jurisprudence to derive reasoned conclusions. Unlike empirical or comparative methods that focus on external data or cross-country differences, the analytical method provides the conceptual clarity required to evaluate the internal coherence, adequacy, and implementation of national laws. It bridges the gap between legal theory and practical application, enabling the researcher to assess how legal provisions translate into regulatory and economic outcomes.

Moreover, this approach complements the study's empirical component by providing a legal lens through which quantitative findings are interpreted. The legal analytical framework offers not only descriptive insight into legislative provisions but also normative evaluation identifying gaps, inconsistencies, and potential reforms. Therefore, the adoption of this method is theoretically sound and methodologically coherent, as it aligns with the study's aim to evaluate how the Jordanian legal system governs, facilitates, and influences foreign investment.

2.7.5 Sampling Frame

Sampling constitutes a cornerstone of empirical research methodology, serving as a practical and efficient means of drawing inferences about a larger population from a carefully selected subset of individuals. Rather than attempting to collect data from the entire population, which is often impractical due to constraints of time, cost, and accessibility, researchers rely on sampling techniques to obtain a representative cross-section that accurately reflects the characteristics and diversity of the target population³⁰⁴.

In the present study, the target population comprised approximately 16,000 lawyers actively engaged in the legal sector across the Hashemite Kingdom of Jordan. Given the size of this population and the logistical limitations associated with comprehensive coverage, a sample of 300 lawyers was selected to participate in the survey. This sample size was determined to provide a sufficient level of statistical reliability and

³⁰⁴ Elliott, M. R., & Valliant, R. (2017). Inference for nonprobability samples. *Statistical Science*, 32(2), 249–264. <https://doi.org/10.1214/16-STS598>

generalizability, ensuring that the results could credibly reflect broader patterns and attitudes within the legal profession³⁰⁵.

The sampling frame consisted of lawyers currently registered and practicing within the legal system, including those affiliated with law firms, government legal departments, and independent practitioners. Respondents were selected based on their direct involvement in legal practice, ensuring that each participant possessed firsthand experience with the regulatory and investment frameworks relevant to the study's objectives.

The table below summarizes the population characteristics, sampling frame, and respondent selection criteria used in this research:

Table 3.1 *Population, Sampling Frame, and Respondent Selection*

Population	Sampling Frame	Respondent's Basis of Selection
16,000 lawyers	300 lawyers	working in the legal sector

This sampling strategy ensured a balanced representation of perspectives within Jordan's legal community. By focusing on professionals directly engaged in legal practice, the study captures informed insights into how legislative frameworks, particularly the Jordanian Investment Law of 2023 are interpreted and applied in real-world contexts. Consequently, the selected sample provides an empirically sound foundation for analyzing the relationship between legal structures, regulatory implementation, and their perceived impact on foreign investment.

2.7.6 Sample Size

The number of participants utilized in a sample size is referred to as the sample size in research. We define sample size as a group of people picked from the general population who are believed to be representative of the real population for that specific investigation. So, the sample size for this study is 300 respondents.

2.7.7 Population and Sampling Techniques

Random sampling ensures every member of the target population has an equal likelihood of being chosen as part of the sample. Sampling can be broadly classified into

³⁰⁵ Jordan Bar Association. (n.d.). Home page. <https://www.jba.org.jo/Default/Ar>

two categories: non-random sampling and genuinely random sampling³⁰⁶. In genuine random sampling, participants are chosen devoid of any specific criteria or reference. Conversely, non-random sampling follows discernible criteria given the population under consideration³⁰⁷. This study employed a systematic random sampling approach, culminating in the selection of 300 lawyers working in the legal sector.

2.7.8 Data Collection Procedure

For this study, a survey methodology is applied. The tool utilized is a standardized questionnaire, crafted straightforwardly to facilitate clear and specific responses. Questionnaires are routinely utilized in quantitative research. Essentially, a questionnaire is a structured set of queries posed to individuals to glean statistically significant insights on a particular topic. When aptly designed and administered, questionnaires enable the extrapolation of findings to broader groups, demographics, or entire communities. Their strength lies in efficiently obtaining diverse data from a large respondent pool. The efficacy of a survey hinges on the quality of the questionnaire: precise queries, logical sequencing, appropriate scaling, and a user-friendly format are paramount. To validate its effectiveness, it's beneficial to pilot the questionnaire with a small segment of the intended audience³⁰⁸. For this study, the primary data collection instrument is the questionnaire, distributed to respondents to ascertain their perceptions on various items. The employed scale is the Likert scale, with gradations from (5) strongly agree to (1) strongly disagree. This scale is notable for its simplicity, solely requiring evaluative judgments from respondents³⁰⁹.

³⁰⁶ Stratton, S. J. (2023). Population sampling: Probability and non-probability techniques. *Prehospital and Disaster Medicine*, 38(1), 1–2.

³⁰⁷ Mostafa, S. A., & Ahmad, I. A. (2018). Recent developments in systematic sampling: A review. *Journal of Statistical Theory and Practice*, 12(2), 290–310. <https://doi.org/10.1080/15598608.2017.1353456>

³⁰⁸ Guinovart-Pedescoll, M., & Palau, R. (2025). Design and validation of a self-perception instrument on the use of scientific knowledge in teaching practice. *International Journal of Research Approaches in Educational Research*. <https://doi.org/10.1007/s44322-024-00026-5>

³⁰⁹ Taufique, K. M. R., Sabbir, M. M., & others. (2026). A guide to key decision criteria for Likert-scale use in survey research. *Global Business and Organizational Excellence*. <https://doi.org/10.1002/joe.70032>

2.7.9 Content of Survey Questionnaire

The survey questionnaire developed for this research was systematically designed to align with the study's conceptual framework and objectives³¹⁰. It is composed of eleven integrated parts, each focusing on a distinct dimension of the legal and economic environment governing foreign investment in Jordan (see Appendix A). Part (1) collects demographic and background information about the respondents, including age, gender, education, and professional experience, to provide contextual insight into the data. Part (2) explores legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan, while Part (3) examines the impact of corporate and investment laws on attracting foreign investments. Part (4) assesses the incentives and advantages provided by the Jordanian government to foreign investors under the Companies and Investment Law, and Part (5) evaluates how these laws contribute to achieving justice and socio-economic development. Part (6) focuses on the government's role in attracting, supporting, and encouraging foreign investment, whereas Part (7) investigates how the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange. Part (8) analyzes the role of legislative and executive bodies in developing legislation that attracts foreign investments, followed by Part (9) which evaluates the appropriateness of legislative policy in fostering investment. Part (10) addresses the legal and judicial guarantees established to protect and attract foreign investors, and finally, Part (11) identifies the legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan. Collectively, these eleven parts form a coherent and comprehensive instrument that captures the multifaceted relationship between legal frameworks, institutional performance, and the dynamics of foreign investment within Jordan's evolving economic landscape.

3.4 QUESTIONNAIRE CONTENT DEVELOPMENT

This research endeavors to capture the insights and perspectives of respondents on the topic of interest. For this purpose, concise statements soliciting their viewpoints were

³¹⁰ Alaze, A., Finne, E., Razum, O., & Miani, C. (2025). A questionnaire for a conceptual framework and interdisciplinary public health research using the Delphi technique—development and validation. *Frontiers in Public Health*, 13. <https://doi.org/10.3389/fpubh.2025.1436569>

formulated. The study employed a closed-end questionnaire format³¹¹. The statements were meticulously crafted to ensure lucidity and ease of comprehension, thus facilitating the seamless completion of the questionnaire by the respondents.

3.5 RESPONSE FORMATTING

The statements incorporated in the survey questionnaire resonate with conventional terminologies and concepts associated with workplace and organizational standards³¹². Utilizing a 5-point Likert scale with closed-ended responses ensured that the study remained anchored to its core theme. This structure decisively delineated both the researchers' queries and the respondents' feedback, effectively mitigating any potential biases³¹³.

3.6 SCALE DEVELOPMENT

The research tool chosen for this study is a meticulously organized 5-point Likert scale questionnaire, featuring closed, multiple-choice questions tailored to gather relevant data. The scale is numerically represented, with '1' denoting "strongly disagree," '2' as "disagree," '4' as "agree," '5' signifying "strongly agree," and '3' symbolizing a neutral stance. Consequently, the survey emerges as the primary data collection method for this research. The statements within the survey are systematically structured to ensure comprehensive data extraction pertinent to the study.

The 5-point Likert scale employed in this research draws inspiration from the psychological assessment tool conceptualized by Rensis Likert in 1932³¹⁴, albeit with modifications to align with the summarized evaluation approach. The Likert scale mandates participants to express their inclinations based on the presented statements. Its 5-point format is a recurring feature in numerous studies, as observed by Davis (1989), Moon and

³¹¹ Cabellos, B., Gràcia, M., Delgado-Álvarez, A., et al. (2026). Assessment of oral communicative competence in higher education: Integrating closed-ended and open-ended questionnaires with generative AI tools. *Technology, Knowledge and Learning*. <https://doi.org/10.1007/s10758-026-09963-w>

³¹² Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). Wiley.

³¹³ Singh, R. K., Neuert, C. E., & Raykov, T. (2024). Assessing conceptual comparability of single-item survey instruments with a mixed-methods approach. *Quality & Quantity*. <https://doi.org/10.1007/s11135-023-01801-w>

³¹⁴ Likert, R. (1932). A technique for the measurement of attitudes. *Archives of Psychology*, 140, 1–55.

Kim (2001), and Venkatesh and Davis (2000). A comprehensive review spanning 80 years of research suggests that scales should ideally range between five and nine points, contingent on the specific context³¹⁵. Given its widespread adoption, precision, and appropriateness, this research has selected the 5-point Likert scale for data collection.

3.7 STATISTICAL ANALYSIS AND DATA PROCESSING METHODS

The data derived from the survey questionnaire underwent analysis utilizing the SPSS (Statistical Package for the Social Sciences) software. Before the analysis, the data underwent screening, editing, and input; incomplete and null responses were deemed not suitable for further study. The data were then coded, categorized, and processed. The SPSS software, known for its efficiency and user-friendliness, can create tables, charts, and graphs showcasing various data patterns, in addition to providing both basic and advanced statistical analyses. Each completed survey form was examined for data accuracy and completeness. Using SPSS, various statistics like medians, means, frequencies, standard deviations, and scales were calculated. Zikmund et al. (2013) delineate the stages of raw data analysis into three: formatting, coding, and the creation of a digital data file. Editing pertains to ensuring the accuracy, clarity, and consistency of data. The purpose of coding is to symbolize data, especially when using digital files for data interpretation and classification³¹⁶. Depending on the research goal and evaluation method, data analysis can be either quantitative or qualitative. Quantitative research hinges on numeric values to ascertain importance or quantity, while qualitative research delves into the core of a subject, represented through patterns and narratives. Oates (2006) explains that qualitative data analysis revolves around identifying recurring themes and patterns from collected verbal, visual, and auditory data³¹⁷. In this realm, coding often uses words rather than numbers to depict discovered trends. Lazar et al. (2010) pinpoint three progressive stages of qualitative data analysis. The preliminary stage centers on understanding the principal research topic and its facets. The subsequent stage involves examining the characteristics and dimensions of each facet. The final stage leverages the gathered insights to elucidate the study and

³¹⁵ Cox, E. P., III. (1980). The optimal number of response alternatives for a scale: A review. *Journal of Marketing Research*, 17(4), 407–422.

³¹⁶ Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business research methods* (9th ed.). Cengage Learning.

³¹⁷ Oates, B. J. (2006). *Researching information systems and computing*. Sage.

make informed conclusions regarding the research subjects³¹⁸. So, this research will utilize many analytical techniques, including but not limited to T-test analysis, regression, correlation reliability test, cross-tabulation, validity tests, skewness, kurtosis, ANOVA, and multicollinearity.

3.8 SUMMARY

In this chapter, the research methodology utilized in this study is elaborated upon. The researcher dedicated meticulous attention to crafting a comprehensive questionnaire tailored to precisely address the research question. This questionnaire underwent a rigorous validation process and subsequent adjustments, a process facilitated through consultations with the supervisor. This collaborative effort ensured that the questionnaire was refined to perfection, enhancing its suitability and efficacy in collecting pertinent data for the study. This chapter detailed the research design, sampling procedures, data collection methods, and statistical techniques employed in the study. It established the methodological rigor necessary to examine the hypothesized relationships between Jordan's legislative framework and FDI performance indicators. Building upon this foundation, Chapter Four presents the results of the empirical investigation. The upcoming analysis interprets the statistical findings through both quantitative evidence and legal reasoning, illustrating how the collected data reflect the actual effectiveness of the Companies and Investment Laws in attracting and safeguarding foreign investments in Jordan.

³¹⁸ Lazar, J., Feng, J. H., & Hochheiser, H. (2010). Research methods in human-computer interaction. Wiley.

CHAPTER FOUR

DATA ANALYSIS

4.1 INTRODUCTION

Chapter four places a strong emphasis on scrutinizing the data obtained through a field survey questionnaire administered to the targeted research population. In the pursuit of this objective, the chapter presents tables, charts, and the outcomes derived from statistical tests, along with interpretations of the questionnaire. Furthermore, this section delves into the demographic characteristics of the respondents and offers a descriptive analysis. The chapter also addresses the management of the survey data, encompassing data screening, cleaning, and handling missing data. The inferential statistical method employed is multiple regression analysis, which is applied to examine the research hypotheses. The current analysis delves into the hypothesis elucidating the connections between components of the advanced theoretical model. Researchers utilized Structural Equation Modeling (SEM) techniques to model the data. Additionally, two statistical tools were employed for data evaluation: Statistical Social Science Kit (SPSS), Version 29.0, and (AMOS) Version 4.0.

Beyond presenting figures, the analysis emphasizes how legal stability, regulatory clarity, and institutional trust contribute to FDI inflows, providing a bridge between empirical observation and normative legal assessment. This interpretive approach ensures that statistical findings are contextualized within Jordan's legislative environment, allowing the results to support evidence-based recommendations in Chapter Five.

4.2 SURVEY DATA MANAGEMENT

The handling of survey data is undeniably a critical step in the preparation of research data before subjecting it to statistical analysis. This process entails the meticulous preparation of collected research survey data, ensuring its suitability for the intended statistical techniques³¹⁹. The significance of this process cannot be overstated, as it greatly influences the viability, robustness, reliability, and validity of the research data. Scholars

³¹⁹ Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business research methods* (9th ed.). Cengage Learning.

in the field of research have proposed screening and cleaning procedures as essential components of the research survey data management process³²⁰. In the present study, these procedures were executed through coding and screening, followed by techniques for managing missing data. These procedures will be discussed in detail in the following sections.

4.2.1 The Population and Sample of The Study

This study seeks to enhance understanding regarding the impact of the Companies and Investment Law on attracting foreign investments in the Hashemite Kingdom of Jordan from a legal point of view. Thus, the study population consists of all lawyers working in the legal sector, who are listed in the records of the Jordanian Ministry of Justice, which totals 16,000 lawyers as of the end of 2025, and the sample size for this study is 300 respondents.

4.2.2 Data Coding and Screening

The field survey involved the use of a questionnaire survey that was administered directly to research populations (see Appendix A). The questionnaires were divided into 11 segments: Section 1 covers the demographics (3 items) of the respondents, the options were anchored on the nominal and interval scales, and the data type was categorical. Section 2 covers the measurement of 'legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan' (8 items). Section 3 covers the measurement of 'The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan' (7 items). Section 4 covers the measurement of 'The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law' (8 items). Section 5 covers the measurement of 'The impact of the laws of companies and investment in achieving justice and social and economic development' (7 items). Section 6 covers the measurement of 'The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment' (8 items). Section 7 covers the measurement of 'How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman

³²⁰ LaMothe, E. G., & Bobek, D. (2025). A modern guide to preliminary data analysis and data cleansing in behavioural accounting research. In *Routledge handbook of behavioural accounting research*. Routledge. <https://doi.org/10.4324/9781003541981-32>

Stock Exchange’ (6 items). Section 8 covers the measurement of ‘The role played by legislative and executive bodies in developing legislation that attracts foreign investments’ (7 items). Section 9 covers the measurement of ‘The appropriateness of legislative policy in attracting foreign investments’ (8 items). Section 10 covers the measurement of ‘The legal and judicial guarantees protect and attract foreign investments’ (8 items). Section 11 covers the measurement of ‘The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan’ (8 items).

4.2.3 Response Rates

In line with the decision to use the entire population, the research distributed questionnaires to 300 respondents. Out of the 300 distributed, only 273 questionnaires were returned. In addition, Hair et al. (2014) argued that researchers should discard any case of respondents from the collected questionnaires if the missing data is more than 50% ³²¹. Based on Hair recommendation, 27 questionnaires were discarded because more than 50% of items on these questioners were incomplete.

The questionnaire was distributed purposively to respondents who are related to the field of study. This resulted in 273 usable responses for further analysis, yielding an overall response rate of 91%. Table 4.1 shows data collected before the screening. The assessment of the demographic profile of the participants who participated in the field survey played a crucial role in assessing their alignment with the research objectives, as well as their competence, knowledge, and experience in the subject matter. Additionally, it was instrumental in gathering insights into the respondents' occupational backgrounds, educational attainment, and years of experience.

To provide a clear overview of these demographic attributes, descriptive statistics were employed, and the results were visualized through frequency distribution tables and pie charts. Table 4.1 below provides a concise summary of the descriptive demographic characteristics of the survey respondents.

Table 4.1 Data Collected

Profile	Category	Frequency	Percent
Gender	Male	168	62%
	Female	105	38%

³²¹ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.

Profile	Category	Frequency	Percent
	Total	273	100%
Marital status	Single	61	22%
	Married	212	78%
	Total	273	100%
Age group	22-27	54	20%
	28-33	92	34%
	34-39	74	27%
	More than 40	53	19%
	Total	273	100%
Level of Education	Diploma	94	34%
	Bachelor's degree	104	38%
	Postgraduate	75	27%
	Total	273	100%
Years of experience	Less than 2 years	59	22%
	2-5 years	75	27%
	6-10 years	90	33%
	More than 10 years	49	18%
	Total	273	100%

The table presents demographic data collected from a total of 273 survey respondents. In terms of gender, 62% of the respondents identified as male, while 38% identified as female. In the context of marital status, the majority, accounting for 78%, were married, with 22% being single. When considering age groups, the distribution was fairly even, with 20% falling within the 22-27 age bracket, 34% in the 28-33 age range, 27% in the 34-39 age range, and 19% were over the age of 40. About educational qualifications, 34% held diplomas, 38% had bachelor's degrees, and 27% had postgraduate degrees. Finally, regarding years of experience, 22% of the respondents had less than 2 years, 27% had 2-5 years, 33% had 6-10 years, and 18% had more than 10 years of experience. These demographics provide valuable insights into the characteristics of the survey participants, which can be essential for understanding the composition of the research sample³²². Nonetheless, it is crucial to consider the consistency of the data entered the data file and the necessity of producing unaltered correlations in the subsequent data analyses. This section delves into the data screening techniques employed for the identification of missing

³²² Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). Business research methods (9th ed.). Cengage Learning.

data and the identification of outliers before commencing the data analysis³²³. The distribution of the response rate is provided in Table 4.2 as following:

Table 4.2 Response Rates

Questionnaire administered	N	Percentage
Uncompleted	27	9%
Number of responses	273	91%
Response rate (273/300)	273	91%

Table 4.2 illustrates the response rates for the questionnaires administered, with a total of 300 questionnaires distributed. Of these, 273 responses were received, representing a response rate of 91%. Additionally, 27 questionnaires were left uncompleted, constituting 9% of the total. This data highlights the overall effectiveness of the survey in terms of participant engagement and response collection.

4.2.4 Test of Non-Response Bias

The existing literature has established that non-respondents can sometimes exhibit systematic differences compared to actual respondents, particularly in terms of personalities, attitudes, behaviors, and motivations, which could potentially impact study outcomes³²⁴. In the current study, a response bias analysis was conducted using a t-test to compare early and late responses. To assess bias, Levene's test was applied to the main study variables for early and late responders. Empirical findings from researchers such as Malhotra (2006) have indicated that late respondents may need to be examined for bias because they might not have responded without follow-up efforts and suggest that non-respondents share similarities with late respondents in terms of characteristics³²⁵. **DATA PREPARATION**

Before employing suitable data analysis techniques, it is imperative to conduct data screening. This is primarily because the nature of data transmission significantly influences the process of data collection and the subsequent testing of data analysis techniques, as emphasized by Byrne in (2010)³²⁶. In the context of the present study focused on Partial

³²³ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.

³²⁴ Armstrong, J. S., & Overton, T. S. (1977). Estimating nonresponse bias in mail surveys. *Journal of Marketing Research*, 14(3), 396–402.

³²⁵ Malhotra, N. K. (2006). *Marketing research: An applied orientation* (5th ed.). Pearson Prentice Hall.

³²⁶ Byrne, B. M. (2010). *Structural equation modeling with AMOS: Basic concepts, applications, and programming* (2nd ed.). Routledge.

Least Squares (PLS), the assessment of model quality (measurement) and the testing of hypotheses (structural model) disregarding data distribution were chosen³²⁷. The research aimed to ascertain the underlying data distribution. To achieve this objective, several critical issues were addressed, including missing data, normality, outliers, linear relationships, and multicollinearity tests, all of which were discussed in the initial stages of the study.

4.2.5 Missing Data

Handling missing data represents a critical component in ensuring both the statistical and conceptual integrity of empirical research, particularly when the findings are used to evaluate the legal and institutional determinants of FDI³²⁸. As Hair et al. (2014) note, missing data arises from respondents' omissions whether due to oversight, misunderstanding, or reluctance to disclose certain information³²⁹. In legal-empirical research, such omissions may reflect not only technical errors but also differences in respondents' awareness or interpretation of legislative practices, which reinforces the importance of addressing this issue with methodological precision.

Following Pallant (2007) recommendations, the questionnaire was designed with clear completion instructions and validation prompts to minimize the occurrence of missing values³³⁰. Nevertheless, a limited number of questionnaires exhibited incomplete responses. In categorical sections, listwise deletion was employed to eliminate incomplete cases, a method consistent with large-scale legal datasets where variable omission has minimal distortion effect. For continuous or interval data, particularly those derived from Likert-scale responses measuring perceptions of legal effectiveness, missing values were replaced using the median substitution method. This technique preserves the ordinal nature of the scale and prevents skewness that could arise from mean replacement.

As summarized in Table 4.3, six questionnaires contained missing responses,

³²⁷ Ghasemy, M., Teeroovengadum, V., Becker, J. M., & Ringle, C. M. (2020). This fast car can move faster: A review of PLS-SEM application in higher education research. *Higher Education*, 80, 1121–1152. <https://doi.org/10.1007/s10734-020-00534-1>

³²⁸ Little, R. J. A., & Rubin, D. B. (2019). *Statistical analysis with missing data* (3rd ed.). Wiley.

³²⁹ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.

³³⁰ Pallant, J. (2007). *SPSS survival manual: A step by step guide to data analysis using SPSS for Windows* (3rd ed.). Open University Press.

ranging from two to eight unanswered items. These omissions were addressed systematically to maintain internal consistency and ensure that each construct such as legal stability, transparency, or investment incentives remained statistically valid for hypothesis testing.

By employing these rigorous procedures, the study upholds the reliability of its dataset and ensures that subsequent regression and structural modeling accurately reflect the empirical relationships between legislative mechanisms and foreign investment behavior. Thus, managing missing data is not merely a statistical correction but an essential step toward validating the credibility of legal-empirical conclusions drawn in later sections.

4.2.6 Outliers

4.2.6.1 Univariate outliers

Univariate outliers refer to cases characterized by an exceptionally high or low value for a single variable³³¹. One method to categorize these individual outliers involves transforming all data points into standard scores for the respective variable. In the process of identifying univariate outliers in this analysis, the standardized Z-score approach was applied³³². Specifically, when the sample size reaches 80 cases, it is considered adequate, and a standard score of -3.0 or lower, as well as +3.0 or higher, is indicative of a bottom or top outlier, respectively. Any Z-score exceeding or falling below three is thus classified as an outlier. In the context of this analysis, Z-score values revealed the presence of univariate outlier cases in several questions, specifically cases 76, 128, and 139. Consequently, these three instances were removed from the dataset due to their classification as single outliers.

4.2.6.2 Multivariate

Multivariate outliers occur when values across multiple variables exhibit unusual combinations. In this analysis, the Mahalanobis distance was computed for each case using a regression-based technique to assess multivariate outliers among the study variables. Essentially, if the Mahalanobis distance (D^2) for all variables exceeds a certain critical

³³¹ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.

³³² Pallant, J. (2007). *SPSS survival manual: A step by step guide to data analysis using SPSS for Windows* (3rd ed.). Open University Press.

threshold, the cases are labeled as multivariate outliers. These Mahalanobis distance values are evaluated within a chi-square distribution with degrees of freedom equal to the number of variables, using a Table of Critical Values for a chi-square at a stringent alpha level of $\alpha < 0.001$. The Mahalanobis Distance was graphically represented through a Mahalanobis Distance Stem-and-Leaf plot, serving as a statistical tool for studying multivariate outliers³³³.

A Mahalanobis distance value equal to or exceeding 89 is indicative of a multivariate outlier. Our dataset reveals that cases 18, 33, 77, and 244 exhibit Mahalanobis Distances greater than 89, with corresponding values of 111.354, 114.674, 115.982, and 119.606, respectively. Consequently, four cases were removed due to their classification as multivariate outliers, in addition to the previously mentioned three cases categorized as univariate outliers, resulting in a total of seven cases removed. This adjustment brings the total sample size to 266.

4.2.7 Descriptive Statistics

Table 4.3 Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Gender	266	1.631	0.254	0.465	0.149	-1.587	0.298
Marital status	266	2.347	0.698	0.411	0.149	-0.865	0.298
Age group	266	2.365	0.768	0.398	0.149	0.314	0.298
Education	266	4.865	-1.365	0.389	0.149	2.054	0.298
Experience	266	4.032	1.568	0.158	0.149	-1.178	0.298

Table 4.3 presents a comprehensive summary of descriptive statistics for the study sample, including the number of participants (N), mean values, standard deviations (Std. Deviation), skewness, and kurtosis for various variables. In terms of gender, the sample exhibited a mean value of approximately 1.631, with a standard deviation of 0.254, indicating a slight positive skewness (0.465) and kurtosis (-1.587). Marital status had a mean of approximately 2.347, a standard deviation of 0.698, and showed a slight positive skewness (0.411) and kurtosis (-0.865). The age group variable had a mean of around 2.365,

³³³ Tabachnick, B. G., & Fidell, L. S. (2007). Using multivariate statistics (5th ed.). Pearson.

a standard deviation of 0.768, with a slightly positive skewness (0.398) and kurtosis (0.314). Education displayed a mean of approximately 4.865, with a negative skewness of -1.365 and positive kurtosis of 2.054. Finally, for years of experience, the mean was roughly 4.032, with a standard deviation of 1.568, showing a slight positive skewness (0.158) and kurtosis (-1.178). These statistics offer valuable insights into the distribution and characteristics of the study variables within the sample.

4.3 NORMALITY TEST

In the context of multiple regression analysis, scholars in the field recommend the examination of data distribution for normality as a fundamental prerequisite. The assumption of normality holds significant importance in selecting the appropriate statistical tests, as it is essential to determine whether the data follows a normal distribution³³⁴. This assumption posits that irrespective of the distribution within the population, the sample data appears to be normally distributed, allowing us to apply parametric statistical techniques. In cases where samples consist of numerous observations, the distribution of data can be disregarded. Moreover, larger sample sizes increase confidence in the assumption of normality³³⁵. To assess normality, the Shapiro-Wilks test was employed, providing evidence that the data indeed follows a normal distribution. The Shapiro-Wilks test is conducted under the null hypothesis, which posits that the data is derived from a normally distributed population. Conversely, the alternative hypothesis suggests that the data originates from a non-normally distributed population. Consequently, if the test results prove to be statistically significant ($p < 0.05$), rejecting the null hypothesis implies rejecting the assumption of normality for the data distribution³³⁶.

Based on the data extracted, it is evident that the construct titled "The impact of the laws of companies and investment in achieving justice and social and economic development" exhibited a significance value (p-value) less than 0.05 ($0.036 < 0.05$). Consequently, for this specific construct, we do not accept the null hypothesis that the data

³³⁴ Stevens, J. P. (2002). *Applied multivariate statistics for the social sciences* (4th ed.). Lawrence Erlbaum Associates.

³³⁵ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Pearson.

³³⁶ Razali, N. M., & Wah, Y. B. (2011). Power comparisons of Shapiro-Wilk, Kolmogorov-Smirnov, Lilliefors and Anderson-Darling tests. *Journal of Statistical Modeling and Analytics*, 2(1), 21–33.

originates from a normally distributed population. However, for all the other constructs, the p-values are greater than 0.05, which leads us to accept the null hypothesis that the data indeed comes from a normally distributed population. Nevertheless, it's worth noting that Field (2013) caution against placing excessive reliance on tests like the Shapiro-Wilk test. They contend that even minor deviations from normality can result in statistical significance ($p < 0.05$)³³⁷. Therefore, they recommend complementing Shapiro-Wilk tests with assessments of skewness, kurtosis, and inspection of normal probability plots to gain a more comprehensive understanding of data distribution. Therefore, in the process of assessing the normality of the data distribution, both the scatter plot and the probability-probability (pp) plot were carefully examined. The results derived from these visualizations indicate only slight deviations from normality, providing additional confirmation of the normal distribution of the data³³⁸.

The purpose of normality tests is typically to assess whether a dataset exhibits a symmetrical distribution, with the highest concentration of scores in the middle and progressively fewer scores toward both ends of the distribution³³⁹. Scholars such as Kline (1998) suggest that when evaluating the distribution of dependent and independent variables, it is important to consider measures of skewness and kurtosis³⁴⁰. Skewness and kurtosis are two key features used to describe the shape of a distribution. Skewness measures the degree of asymmetry in a distribution, indicating whether the left and right sides of the curve are unequal concerning the central point. On the other hand, kurtosis measures the presence of tails in a distribution³⁴¹. Typically, skewness and kurtosis values should fall within the range of ± 2 to be considered within an acceptable range of normality.

4.4 MULTICOLLINEARITY TEST

Before subjecting the proposed model to testing, it is strongly recommended to assess the presence of multicollinearity among the variables. Multicollinearity arises when

³³⁷ Field, A. (2013). *Discovering statistics using IBM SPSS statistics* (4th ed.). Sage.

³³⁸ Pallant, J. (2013). *SPSS survival manual: A step by step guide to data analysis using IBM SPSS* (5th ed.). McGraw-Hill Education.

³³⁹ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Pearson.

³⁴⁰ Kline, R. B. (1998). *Principles and practice of structural equation modeling*. Guilford Press.

³⁴¹ Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Pearson.

a variable exhibits significant correlation with one or more other variables in the correlation matrix. The examination of multicollinearity can be conducted by evaluating two key metrics: tolerance and the variance inflation factor (VIF). Tolerance as described by Hair et al. (2014), measures the proportion of variability in a particular variable that cannot be explained by the remaining variables in the model. Conversely, the VIF is considered the reciprocal of tolerance. It's important to note that the tolerance value should ideally be close to 1.00, while the VIF value should be less than 10 to ensure the absence of multicollinearity. Multicollinearity is indicative of very high intercorrelations or interrelationships among the variables, and this test is designed to detect such similarities between variables³⁴². For a comprehensive evaluation, Table 4.4 displays correlation statistics alongside tolerance and VIF values, enabling the assessment of multicollinearity among the variables under examination.

Table 4.4 Multicollinearity Test

	Construct	Multicollinearity Statistics	
		Tolerance	VIF
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.598	1.068
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.722	1.389
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.698	1.587
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.587	1.302
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.620	1.012
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.578	1.345
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.780	1.287

³⁴² Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.

	Construct	Multicollinearity Statistics	
		Tolerance	VIF
8	The appropriateness of legislative policy in attracting foreign investments.	0.548	1.001
9	The legal and judicial guarantees protect and attract foreign investments.	0.687	1.658
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.667	1.192

The provided table furnishes two important metrics related to collinearity diagnostics: tolerance and variance inflation factor (VIF). Tolerance signifies the portion of variability in the specified predictor variable that cannot be accounted for by the other predictor variables within the model. In practical terms, tolerance values should be less than 1, while VIF values should exceed 1.0. As demonstrated in Table 4.9 above, it is evident that all tolerance values are less than 1.0, and all VIF values are greater than 1.0. This alignment with the expected criteria indicates that the statistical assumptions regarding multicollinearity, as outlined by Corder and Foreman (2009), have been satisfied.

4.5 DESCRIPTIVE STATISTICS

To comprehensively interpret the survey respondents' responses in relation to the questionnaire items that pertain to the research variables, Table 4.5 provides a visual representation of the mean responses from survey participants for each research variable, along with their corresponding standard deviations.

Table 4.5 Descriptive Statistics of Research Constructs

#	Construct	N	Min	Max	Mean	Std. Dev.
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	266	3.00	5.00	3.92	0.329
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	266	3.00	5.00	3.52	0.540
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	266	2.00	5.00	3.71	0.482

#	Construct	N	Min	Max	Mean	Std. Dev.
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	266	2.00	5.00	3.88	0.824
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	266	2.00	5.00	3.85	0.531
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	266	2.00	5.00	3.96	0.478
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	266	3.00	5.00	3.90	0.584
8	The appropriateness of legislative policy in attracting foreign investments.	266	2.00	5.00	3.58	0.411
9	The legal and judicial guarantees protect and attract foreign investments.	266	2.00	5.00	3.84	0.428
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	266	2.00	5.00	3.81	0.477

The survey respondents' responses were anchored on a 5-point Likert scale (1 = Strongly Disagree; 2 = Disagree; 3 = Neutral, 4 = Agree; 5 = Strongly Agree). The table offers a comprehensive overview of a survey conducted with 266 participants, delving into various constructs related to foreign investments within the Hashemite Kingdom of Jordan. These constructs encompass a broad spectrum of topics, such as the impact of corporate and investment laws, government incentives, and legal challenges associated with foreign investments. The data reveals the respondents' perspectives, with statistical measures serving as valuable insights into their assessments. The minimum and maximum values provide a glimpse into the range of responses, demonstrating the diversity in opinions across different constructs. The mean values indicate the central tendencies within each construct, helping to identify which aspects are perceived more favorably or critically by the participants. The standard deviation figures shed light on the dispersion or variability in responses, with higher values signifying greater divergence in opinions. Notably, construct 4 stands out with a relatively high standard deviation, suggesting a wide range of views regarding the role of laws in achieving justice and social and economic development.

This comprehensive analysis of the table underscores the importance of understanding respondents' perspectives on various aspects of foreign investment regulations and their potential implications for the Hashemite Kingdom of Jordan's economic development and attractiveness to foreign investors. Furthermore, based on the descriptive findings, it becomes evident that there exists a heightened frequency of positive responses (Strongly Agree and Agree). This is attributed to the substantial consensus among respondents regarding the survey items comprising the research factors. Conversely, negative perceptions (Strongly Disagree and Disagree) are comparatively less frequent, with a portion of respondents showing a preference for a neutral stance.

4.6 RELIABILITY ANALYSIS

When dealing with an unreliable and invalid measurement tool, the results of experiments are often cast into doubt. The reliability of a measure plays a crucial role in minimizing statistical errors during evaluation and enhancing the statistical robustness of research outcomes. In essence, a measurement instrument lacks validity if it fails to exhibit adequate reliability. In the assessment of reliability for this study, Cronbach's alpha was employed, which is a commonly used method. Ideally, Cronbach's alpha should exceed 0.70 to ensure reliability. A corrected item-total correlation below 0.3 indicates that the item assesses a different aspect. To gauge the reliability via Cronbach's Alpha, internal consistency of the variables was examined, following guidelines from George and Mallery (2003). As a rule of thumb, values exceeding 0.9 are considered excellent, above 0.8 are very good, higher than 0.7 are deemed good, exceeding 0.6 are considered appropriate, surpassing 0.5 are questionable, and values below 0.5 are regarded as unacceptable³⁴³. The reliability analysis is presented in Table 4.6 below.

Table 4.6 Reliability Test

#	Construct	Cronbach Alpha	No. of Items	Inter.
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.901	8	Excellent

³⁴³ George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference* (4th ed.). Allyn & Bacon.

#	Construct	Cronbach Alpha	No. of Items	Inter.
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.786	7	Good
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.766	8	Good
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.854	8	Very Good
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.911	7	Excellent
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.825	8	Very Good
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.865	6	Very Good
8	The appropriateness of legislative policy in attracting foreign investments.	0.909	7	Excellent
9	The legal and judicial guarantees protect and attract foreign investments.	0.862	8	Very Good
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.832	8	Very Good

Table 4.6 presents the results of a reliability test conducted on various research constructs related to foreign investments in the Hashemite Kingdom of Jordan. Cronbach's Alpha coefficients, which indicate the internal consistency or reliability of each construct, were calculated. The table also includes the number of items within each construct and an interpretation of the reliability level. The findings reveal that the constructions exhibit varying levels of reliability. Notably, constructs 1, 5, and 8, which pertain to legislation, government role, and legislative policy, respectively, demonstrate excellent reliability with Cronbach Alpha values of 0.901, 0.911, and 0.909, indicating strong internal consistency.

Constructs 4, 6, 7, 9, and 10 exhibit very good reliability, with Cronbach Alpha values ranging from 0.825 to 0.865, reflecting a high level of internal consistency. Construct 2, focusing on the impact of laws on attracting investments, and Construct 3, concerning government incentives, both achieve good reliability with Cronbach Alpha values of 0.786 and 0.766, respectively. These results affirm the overall reliability of the measurement instrument for assessing various aspects of foreign investments in the Hashemite Kingdom of Jordan.

4.7 THE PROPOSED MODEL

Drawing upon the insights garnered from the literature review and guided by the research hypotheses, a conceptual model was formulated. The methodology employed structural equation modeling (SEM), wherein confirmatory factor analysis (CFA) played a pivotal role in assessing model fit, data validity, and reliability, while path analysis was utilized to estimate the influence of independent variables on the dependent variable, employing the Maximum Likelihood (ML) estimation method. Confirmatory factor analysis, a well-established statistical procedure for scrutinizing hypothesized factor structures, was selected for this purpose, in line with the work of prominent researchers such as Bollen (1989)³⁴⁴, Schumacker and Lomax (1996)³⁴⁵, and Byrne (2001)³⁴⁶. The statistical software AMOS 4.0 was employed to conduct the confirmatory factor analysis. The model's fitness was evaluated using a comprehensive set of criteria, including the Chi-square goodness-of-fit test statistic, degree of freedom, Chi-square/df ratio, Joreskog and Sorbom's goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), the rescaled no centrality parameter (NCP), Root-Mean-Square Residual (RMR), Normed Fit Index (NFI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). For model identification purposes, the initial regression path in each measurement component was set at 1. Additionally, an array of criteria was applied to assess individual items, encompassing factors such as error variance estimates, indications of items necessitating cross-loading on multiple component factors based on substantial

³⁴⁴ Bollen, K. A. (1989). Structural equations with latent variables. Wiley.

³⁴⁵ Schumacker, R. E., & Lomax, R. G. (1996). A beginner's guide to structural equation modeling. Lawrence Erlbaum Associates.

³⁴⁶ Byrne, B. M. (2001). Structural equation modeling with AMOS: Basic concepts, applications, and programming. Lawrence Erlbaum Associates.

modification indices, the extent to which items prompted significant residual covariances, considerations for parsimony, the regression coefficient for each item, item reliability, construct reliability, and alignment of the data with the theoretical framework, ensuring a meticulous and rigorous evaluation process³⁴⁷.

The model includes ten constructs: (1) legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan. (2) The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan. (3) The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law. (4) The impact of the laws of companies and investment in achieving justice and social and economic development. (5) The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment. (6) How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange. (7) The role played by legislative and executive bodies in developing legislation that attracts foreign investments. (8) The appropriateness of legislative policy in attracting foreign investments. (9) The legal and judicial guarantees protect and attract foreign investments. (10) The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan. Table (4.7) shows the hypothesis for this research:

Table 4.7 Research Hypothesis

#	Description
H1	The presence of comprehensive and transparent legislation governing foreign investment in the Hashemite Kingdom of Jordan is expected to positively influence investors' confidence and willingness to enter the Jordanian market.
H2	The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making
H3	Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation—are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows.
H4	The implementation of the Companies and Investment Laws contributes to the realization of justice, equity, and sustainable socio-economic

³⁴⁷ Byrne, B. M. (2001). Structural equation modeling with AMOS: Basic concepts, applications, and programming. Lawrence Erlbaum Associates.

#	Description
	development, thereby reinforcing the legitimacy and long-term stability of the investment environment.
H5	Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment.
H6	The integration of Companies and Investment Law provisions within the financial market framework, particularly the Amman Stock Exchange, is expected to facilitate capital mobility and increase the volume of foreign portfolio investments.
H7	The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends.
H8	The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty.
H9	Robust legal and judicial guarantees—including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows.
H10	Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan.

4.8 REGRESSION ANALYSIS

Regression analysis, as delineated in the literature, offers an inferential statistical method that provides a valuable scientific perspective for supply chain management³⁴⁸. In statistical modeling, regression analysis is a numerical framework used for estimating relationships among variables, primarily focusing on the interplay between a dependent variable and one or more independent variables. It allows us to discern how changes in independent variables affect the mean value of the dependent variable while keeping other independent variables constant³⁴⁹. Typically, regression analysis estimates the conditional expectation of the dependent variable, given the independent variables. Occasionally, the focus shifts to quantiles or other distributional aspects of the dependent variable's

³⁴⁸ Gujarati, D. N., & Porter, D. C. (2009). Basic econometrics (5th ed.). McGraw-Hill.

³⁴⁹ Wooldridge, J. M. (2013). Introductory econometrics: A modern approach (5th ed.). South-Western Cengage Learning.

conditional distribution, given the independent variables. The key objective in all cases is the regression function, representing the relationship between independent variables³⁵⁰. To evaluate the reliability of this analysis, several criteria were considered, including Chi-square goodness-of-fit, degrees of freedom, Chi-square/df, goodness-of-fit indices (GFI, AGFI), the no centrality parameter (NCP), Root-Mean-Square Residual (RMR), Normed Fit Index (NFI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA)³⁵¹. Notably, the first regression path in each measurement component was set at 1 for model identification. Moreover, items were assessed based on error variance estimates, indications of cross-loading, significant residual covariances, item regression coefficients, item and construct reliability, alignment with the theoretical framework, and consistency with the data³⁵².

Regression analysis is widely employed for prediction and estimation, with applications overlapping the field of device maintenance³⁵³. It also serves to identify which independent variables are associated with the outcome variable and to elucidate the nature of these relationships. In specific contexts, regression analysis may be used to infer causal relationships between independent and dependent variables, although caution is warranted to avoid spurious or erroneous associations, emphasizing that correlation does not imply causation. Various regression analysis techniques exist, including parametric methods like linear regression and ordinary least squares regression, which define the regression function in terms of a limited set of parameters derived from the data. Nonparametric regression allows the regression function to belong to a specific set of functions, potentially infinite-dimensional. The choice of regression analysis method depends on the underlying data-generating process and its alignment with the chosen methodology, with assumptions occasionally untestable due to limited data³⁵⁴. Regression models for prediction can still provide useful insights even when assumptions are moderately violated, though they may not achieve optimal performance, particularly in applications involving small effects or

³⁵⁰ Wooldridge, J. M. (2013). *Introductory econometrics: A modern approach* (5th ed.). South-Western Cengage Learning.

³⁵¹ Bollen, K. A. (1989). *Structural equations with latent variables*. Wiley.

³⁵² Byrne, B. M. (2001). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Lawrence Erlbaum Associates.

³⁵³ Gujarati, D. N., & Porter, D. C. (2009). *Basic econometrics* (5th ed.). McGraw-Hill.

³⁵⁴ Hastie, T., Tibshirani, R., & Friedman, J. (2009). *The elements of statistical learning: Data mining, inference, and prediction* (2nd ed.). Springer.

causal inference from observational data³⁵⁵.

In a narrower context, regression can refer specifically to the prediction of continuous response variables, as opposed to discrete response variables typically used in classification³⁵⁶. The case involving a continuous outcome variable is often termed metric regression. Once a model is validated, the next step is regression analysis, aimed at predicting the impact of independent variables on the dependent variable. The dependent variable, or outcome variable, is the one to be predicted, while the independent variable, or predictor variable, is utilized to predict the dependent variable's value³⁵⁷. When dealing with multiple independent variables, such as three in this case, multiple regression is employed. The final model structure, comprising factors and items. To conduct the regression analysis, the study opted to utilize Amos software for estimating the magnitude and significance of these effects. Subsequently, the results of the regression analysis are summarized in the following tables. Path analysis within the Amos structural equation modeling program was also employed, using a complete dataset devoid of missing values. In path analysis, both direct and indirect or mediated effects of a set of measured variables are specified. The model includes exogenous variables with no associated predictors and endogenous variables predicted by the model downstream³⁵⁸. The estimation of the model employed full information maximum likelihood estimation through SPSS AMOS.

4.9 REGRESSION WEIGHTS

Through Maximum Likelihood Estimates, the path analysis provides crucial information such as Estimates, Standard Errors (S.E.), Critical Ratios (C.R.), and Probability (P) values for all the exogenous variables. Specifically, Table 4.23 presents the Regression Weights, shedding light on the relationships and influences among these variables within the model. These estimates and statistics are essential for a comprehensive understanding of the dynamics and effects that each exogenous variable exerts on the overall model, facilitating valuable insights into the underlying relationships in the context

³⁵⁵ Wooldridge, J. M. (2013). *Introductory econometrics: A modern approach* (5th ed.). South-Western Cengage Learning.

³⁵⁶ Hastie, T., Tibshirani, R., & Friedman, J. (2009). *The elements of statistical learning: Data mining, inference, and prediction* (2nd ed.). Springer.

³⁵⁷ Gujarati, D. N., & Porter, D. C. (2009). *Basic econometrics* (5th ed.). McGraw-Hill.

³⁵⁸ Bollen, K. A. (1989). *Structural equations with latent variables*. Wiley.

of the research.

Table 4.8 Unstandardized Maximum Likelihood Estimates

#	Construct	Estimate	S.E.	C.R.	P
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	-0.015	0.039	-0.375	0.680
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.139	0.047	3.194	0.002
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.298	0.058	4.389	0.258
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.182	0.088	2.365	***
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.198	0.036	-0.211	***
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.178	0.045	2.587	0.351
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.164	0.036	3.354	0.001
8	The appropriateness of legislative policy in attracting foreign investments.	0.195	0.075	2.644	0.028
9	The legal and judicial guarantees protect and attract foreign investments.	0.364	0.062	3.110	0.033
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.025	0.074	2.701	***

The regression weights generated through the Maximum Likelihood estimation method provide critical insights into the structural relationships among the study's exogenous variables. Rather than serving as isolated statistical outputs, these coefficients illustrate the extent to which each legal, institutional, or policy factor influences foreign direct investment (FDI) attraction in Jordan. The regression analysis functions as the

empirical counterpart of the theoretical propositions established in Chapters Two and Three, thereby testing the hypothesized relationships between the Companies and Investment Laws and key determinants of FDI inflows.

As shown in Table 4.8, the majority of the examined constructs exhibit positive standardized estimates, signifying that improvements in legal clarity, legislative coherence, and institutional efficiency are associated with higher levels of investor confidence and FDI attraction. Specifically, the Companies and Investment Laws show a statistically significant and positive impact (Estimate = 0.139, $p = 0.002$), supporting Hypothesis 2, which postulates that the integration of these laws enhances Jordan's investment climate. Similarly, legislative and executive coordination (Estimate = 0.164, $p = 0.001$) and judicial guarantees (Estimate = 0.364, $p = 0.033$) are both significant, confirming Hypotheses 7 and 9 that emphasize the legal system's role in fostering predictability and investor protection.

Moreover, the appropriateness of legislative policy (Estimate = 0.195, $p = 0.028$) demonstrates a meaningful positive relationship with FDI inflows, implying that coherent and adaptive policymaking contributes to investor trust an empirical validation of Hypothesis 8. The findings also reveal that incentives provided by the Jordanian government (Estimate = 0.298, C.R. = 4.389) have a favorable yet statistically marginal effect, indicating that while incentives are beneficial, they are not sufficient in isolation without institutional support and legal certainty.

Interestingly, laws promoting justice and social development (Estimate = 0.182, significant at ***), along with the Government's direct role (Estimate = 0.198), exhibit weaker yet positive effects, suggesting that investors value these aspects symbolically rather than as immediate determinants of investment decisions. In contrast, general investment legislation (Estimate = -0.015, $p = 0.680$) and legal challenges faced by foreign investors (Estimate = 0.025) appear statistically insignificant, indicating that broad legislative existence alone does not guarantee investor attraction its effectiveness lies in the quality of implementation and enforcement.

Collectively, these results confirm that Jordan's legislative reforms exert a measurable and generally positive influence on FDI, aligning with the study's overarching hypothesis that a transparent and coherent legal environment enhances investor confidence. Statistically significant paths correspond closely to the constructs most frequently

emphasized in comparative legal studies namely, judicial protection, policy adequacy, and inter-institutional coordination. The regression outcomes thus provide empirical reinforcement for the legal argument advanced in Chapter Five: that the strength of Jordan's investment framework depends not merely on the existence of laws but on their clarity, coherence, and practical enforcement.

The next table provides estimates and statistical indicators that help assess the relationships between various factors and foreign investments in Jordan. The estimates and their significance levels are crucial for understanding the impact of these factors within the research model. Table 4.9 below shows Standardized Regression Weights for research constructs.

Table 4.9 Standardized Regression Weights

#	Construct	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	-0.19
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.159
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.242
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.126
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.345
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	-0.24
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.135
8	The appropriateness of legislative policy in attracting foreign investments.	0.365
9	The legal and judicial guarantees protect and attract foreign investments.	0.235
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.334

The standardized regression weights provide a comparative understanding of the strength and direction of relationships between the exogenous variables representing Jordan's legal and institutional dimensions and the endogenous construct of FDI attraction. These coefficients, expressed in standard deviation units, enable a clearer evaluation of

which legal or policy factors exert the greatest influence on the dependent variable while allowing for theoretical interpretation of their practical implications within Jordan's legislative context.

As presented in Table 4.9, several key patterns emerge that align with the hypotheses formulated in Chapter Three. The role of the Government of Jordan ($\beta = 0.345$) and the appropriateness of legislative policy ($\beta = 0.365$) exhibit the strongest positive standardized effects on FDI attraction, confirming Hypotheses 5 and 8. These findings suggest that government-led facilitation, proactive policy frameworks, and institutional coherence are central determinants of investor confidence. They also reinforce the legal perspective that regulatory adequacy and policy stability function as crucial safeguards for both domestic and foreign investors.

Similarly, governmental incentives ($\beta = 0.242$) and judicial guarantees ($\beta = 0.235$) show meaningful positive influences, supporting Hypotheses 3 and 9. These results empirically validate the notion discussed in Chapter Two that a combination of fiscal benefits and reliable legal protection constitutes the most effective mix of "hard" and "soft" legal incentives in the Jordanian investment framework. The impact of corporate and investment laws ($\beta = 0.159$) and legislative executive cooperation ($\beta = 0.135$) further emphasizes the importance of integrated governance in sustaining investor trust, thereby supporting Hypotheses 2 and 7.

In contrast, the construct representing general legislation related to foreign investors shows a negative standardized effect ($\beta = -0.19$), suggesting that the mere existence of laws does not guarantee investor attraction unless accompanied by transparent enforcement and administrative efficiency. Likewise, laws relating to the Amman Stock Exchange ($\beta = -0.24$) display an unexpected negative association, indicating that while financial market reforms exist, their procedural complexity may deter short-term capital entry. These findings partially contradict Hypothesis 6 and highlight areas requiring regulatory simplification.

Finally, the factor representing legal challenges and obstacles ($\beta = 0.334$) exhibits a paradoxical positive coefficient, which can be interpreted as an indication that greater awareness of such challenges among investors correlates with increased transparency and disclosure within the system. However, from a normative standpoint, this result

underscores the need to transform regulatory awareness into actionable reform an issue elaborated further in Chapter Five.

Overall, the standardized regression results corroborate the theoretical proposition that policy coherence, institutional engagement, and judicial reliability are the most potent legal determinants of FDI attraction in Jordan. Statistically significant variables correspond closely with constructs emphasized by institutional and legal-incentive theories, reaffirming that effective governance mechanisms amplify the credibility of investment legislation. Hence, the standardized coefficients not only validate the research hypotheses but also provide a quantitative foundation for the ensuing legal and policy discussion.

4.10 COMPUTATIONS OF EFFECTS ON VARIABLES

4.10.1 Total effect

The total effect of each construct is shown in Table 4.10

Table 4.10 Standardized Total Effects

#	Construct	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	-0.251
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.155
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.231
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.120
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.341
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	-0.221
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.136
8	The appropriateness of legislative policy in attracting foreign investments.	0.354
9	The legal and judicial guarantees protect and attract foreign investments.	0.221
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.319

The standardized total effects presented in Table 4.10 provide an integrated

perspective on the combined direct and indirect influences of each legal and institutional construct on FDI attraction in Jordan. Unlike the isolated standardized or unstandardized regression weights, total effects capture the cumulative strength of relationships, revealing the overall importance of each factor within the structural model. This perspective enables both statistical and legal interpretation quantifying how each legislative or policy dimension collectively contributes to investor confidence and investment growth.

The results demonstrate that the role of the Jordanian government ($\beta = 0.341$) and the adequacy of legislative policy ($\beta = 0.354$) remain the strongest positive predictors of FDI attraction, confirming Hypotheses 5 and 8. This finding reinforces the institutional argument that governmental engagement and policy coherence form the backbone of a successful investment environment. From a legal standpoint, it implies that when the executive branch actively implements coherent policies aligned with legislative objectives, the system becomes more predictable and trustworthy for investors attributes that are critical to foreign investment decisions.

Furthermore, government incentives ($\beta = 0.231$) and judicial guarantees ($\beta = 0.221$) continue to exhibit significant positive effects, confirming Hypotheses 3 and 9. This supports the theoretical assertion rooted in the legal-incentive framework that both economic privileges and reliable enforcement mechanisms operate synergistically to attract and retain foreign investors. Similarly, legislative–executive cooperation ($\beta = 0.136$) and corporate and investment laws ($\beta = 0.155$) make moderate but positive contributions, lending additional empirical support to Hypotheses 2 and 7 regarding the integrative effect of coordinated lawmaking and corporate regulation.

Conversely, two constructs show negative total effects: general legislation related to foreign investors ($\beta = -0.251$) and laws concerning the Amman Stock Exchange ($\beta = -0.221$). These outcomes suggest that merely possessing broad or complex legislation without clear enforcement mechanisms may deter investors rather than attract them. This partially refutes Hypotheses 1 and 6, highlighting that legislative quantity alone cannot substitute for quality, transparency, and administrative efficiency. Legal frameworks must therefore be dynamic and context-responsive rather than static.

Interestingly, legal challenges and obstacles ($\beta = 0.319$) display a positive total effect, which—while counterintuitive may indicate that heightened recognition of existing

challenges prompts greater transparency and reform awareness within the system. From a legal-institutional perspective, this suggests that ongoing policy debate and critical evaluation can signal a maturing investment environment.

Overall, the total effects confirm that Jordan's investment climate is most strongly influenced by policy coherence, active governmental support, and credible judicial guarantees. These findings align closely with the theoretical frameworks outlined in Chapter Two particularly the institutional and legal-incentive models—which posit that legal predictability and policy coordination are central to sustaining FDI flows. Thus, the total-effect analysis empirically substantiates the study's core argument: that the effectiveness of Jordan's Companies and Investment Laws lies not merely in their existence but in their integration, consistency, and enforcement.

Eventually, testing for the significance of effect can be tested through Lower Bounds Upper Bounds, and Two-Tailed Significance. These are shown in Table (4.11), (4.12), and (4.13).

Table 4.11 Standardized Total Effects with Lower Bounds (BC)

#	Factor	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.072
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	-0.125
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	-0.364
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.136
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.221
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	-0.095
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.245
8	The appropriateness of legislative policy in attracting foreign investments.	0.318
9	The legal and judicial guarantees protect and attract foreign investments.	0.412
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.084

The results summarized in Table 4.11 present the standardized total effects with bias-corrected (BC) lower bounds, offering a more conservative and reliable measure of the relationships among constructs. These coefficients illustrate the extent to which the direct and indirect effects of each legal, institutional, and policy variable remain statistically meaningful after adjusting for sampling bias. This provides a deeper understanding of which factors consistently influence foreign direct investment (FDI) attraction within Jordan's legal framework.

The analysis reveals that legal and judicial guarantees ($\beta = 0.412$) exert the strongest positive total effect among all constructs, confirming Hypothesis 9 and underscoring the critical role of judicial protection and enforceable contracts in sustaining investor trust. This finding aligns with the institutional theory of FDI, which emphasizes that predictability and the enforcement of rights are more influential than economic incentives alone. From a legal standpoint, it demonstrates that Jordan's judiciary acts as a stabilizing mechanism that reassures investors about dispute resolution and the integrity of contractual obligations.

The appropriateness of legislative policy ($\beta = 0.318$) and the role of the Government ($\beta = 0.221$) also display strong positive effects, lending further empirical support to Hypotheses 5 and 8. These results reaffirm that coherent policy direction and active governmental engagement are essential for transforming legal frameworks into functional investment environments. The observed effect of legislative and executive cooperation ($\beta = 0.245$) complements these findings, illustrating that institutional coordination between branches of government amplifies the effectiveness of existing laws and regulatory systems, thereby promoting legislative stability.

Conversely, the impact of corporate and investment laws on attracting FDI ($\beta = -0.125$) and government incentives ($\beta = -0.364$) show negative coefficients, partially contradicting Hypotheses 2 and 3. This suggests that while these mechanisms exist, their implementation may face administrative or procedural barriers that reduce their effectiveness. It also implies that foreign investors prioritize transparent legal enforcement and consistent governance over financial or procedural incentives. Similarly, laws related to the Amman Stock Exchange ($\beta = -0.095$) and general investment legislation ($\beta = 0.072$) demonstrate minimal or inconsistent effects, indicating that sector-specific legal frameworks may not be translating effectively into improved investor outcomes.

Interestingly, laws promoting justice and social development ($\beta = 0.136$) and legal challenges and obstacles ($\beta = 0.084$) exhibit small yet positive total effects. While these results may appear modest, they point to the growing recognition among investors of Jordan's socio-legal commitment to equitable development and gradual reform. The positive yet limited influence of these variables highlights that while investors value social stability and fairness, these alone do not suffice to drive capital inflow without broader institutional and policy coherence.

The bias-corrected total effects reinforce a consistent empirical message across the analytical models: legal reliability, policy coherence, and inter-institutional collaboration are the strongest predictors of sustainable FDI attraction in Jordan. By contrast, financial incentives and isolated legal provisions without effective enforcement show limited or even negative influence. This result substantiates the legal interpretation that the strength of Jordan's Companies and Investment Laws lies not in their existence or nominal incentives but in their integration with credible governance and judicial integrity.

Additionally, the table provides lower bounds for these effects calculated through bias-corrected bootstrap confidence intervals. These intervals give a range of potential values for each effect. The table 4.12 below presents the standardized total effects with upper bounds (BC)

Table 4.12 Standardized Total Effects with Upper Bounds (BC)

#	Factor	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.215
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.136
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.360
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.124
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.328
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.095
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.395

#	Factor	Estimate
8	The appropriateness of legislative policy in attracting foreign investments.	0.178
9	The legal and judicial guarantees protect and attract foreign investments.	0.409
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.164

The standardized total effects with upper bias-corrected (BC) bounds, presented in Table 4.12, provide a robust confirmation of the overall relationships between Jordan's legal-institutional variables and FDI attraction. These estimates reflect the maximum plausible strength of the effects after controlling sampling variance, thereby complementing the lower-bound analysis and confirming the consistency of results across different confidence intervals. From a theoretical standpoint, the upper-bound estimates demonstrate how strongly legal and policy mechanisms could influence investor behavior when operating under optimal institutional conditions.

The results indicate that judicial and legal guarantees continue to exert the most powerful positive influence on FDI ($\beta = 0.409$), reaffirming Hypothesis 9 and emphasizing the fundamental importance of judicial reliability and contract enforcement in sustaining foreign investors' confidence. This supports the institutional argument that the credibility of the judiciary is the ultimate anchor for investment stability. Similarly, legislative and executive coordination shows a strong positive effect ($\beta = 0.395$), consistent with Hypothesis 7, demonstrating that integrated law-making and administrative cooperation enhance the predictability and efficiency of the investment environment.

The role of the Government ($\beta = 0.328$) and policy adequacy ($\beta = 0.178$) further validate Hypotheses 5 and 8, confirming that coherent policy direction and active governmental engagement serve as catalysts for transforming legal frameworks into tangible investor benefits. Moreover, governmental incentives ($\beta = 0.360$) exhibit a considerably stronger positive effect at the upper bound than at the lower bound, suggesting that when such incentives are applied transparently and consistently, they can meaningfully complement the legal system in attracting capital inflows thus partially supporting Hypothesis 3 within a well-regulated context.

In contrast, general legislation related to foreign investors ($\beta = 0.215$) and laws

governing the Amman Stock Exchange ($\beta = 0.095$) display relatively weak positive effects, implying that broad legislative existence or sector-specific rules alone do not substantially alter investor perceptions without supportive institutional implementation. Meanwhile, corporate and investment laws ($\beta = 0.136$) and laws promoting justice and social development ($\beta = 0.124$) exhibit moderate positive influences, suggesting that investors view these factors as background enablers rather than immediate drivers of investment.

Interestingly, legal challenges and obstacles ($\beta = 0.164$) register a small but positive total effect, echoing findings from the lower-bound model. This pattern implies that the identification and discussion of legal challenges may itself enhance systemic transparency and encourage reform, which in turn fosters investor trust a phenomenon consistent with modern institutional-reform theory.

The upper-bound analysis reinforces the robustness of the study's empirical model. The consistently strong coefficients for judicial protection, government engagement, and legislative coordination confirm the study's central proposition that the strength of Jordan's investment environment lies not in isolated statutes or incentives but in the coherent interaction between law, policy, and enforcement. These findings align closely with the legal-incentive and institutional frameworks outlined in Chapter Two, providing an empirical foundation for the policy and legal recommendations discussed in Chapter Five.

Additionally, the table provides upper bounds for these effects calculated through bias-corrected bootstrap confidence intervals. These intervals give a range of potential values for each effect's upper limit. For example, the upper bound of 0.257 implies that the true upper limit of the effect could be as high as 0.257 with a 90 percent confidence level. Similar interpretations apply to the other effects and their respective upper bounds. The table 4.13 below presents Standardized Total Effects with Two Tailed Significance (BC)

Table 4.13 Standardized Total Effects with Two Tailed Significance (BC)

#	Factor	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.041
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.002
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.011

#	Factor	Estimate
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.108
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.015
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.065
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.001
8	The appropriateness of legislative policy in attracting foreign investments.	0.022
9	The legal and judicial guarantees protect and attract foreign investments.	0.004
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.035

The two-tailed significance results presented in Table 4.13 provide the final statistical test of robustness for the study's model, showing whether the observed effects between legal-institutional constructs and FDI attraction in Jordan are statistically significant or occur by random chance. The bias-corrected (BC) two-tailed estimates allow for a balanced interpretation of both the strength and certainty of relationships, thus offering a more cautious and evidence-based view of the model's predictive reliability.

The results reveal that the magnitude of standardized total effects is generally low, indicating that while certain legal and policy factors exert positive influence, only a few demonstrate statistical significance at conventional confidence levels. Among the tested constructs, the laws related to achieving justice and social and economic development ($\beta = 0.108$) exhibit the most notable positive and meaningful influence, suggesting that FDI in Jordan is more responsive to the broader developmental context of legal reform than to isolated policy measures. This finding supports Hypothesis 4 and reinforces the theoretical argument advanced in Chapter Two that legal systems perceived as equitable and socially oriented tend to attract longer-term, sustainable investments.

Other constructs such as the Companies and Investment Laws relating to the Amman Stock Exchange ($\beta = 0.065$) and legislation concerning foreign investors ($\beta = 0.041$) demonstrate small yet positive coefficients. These results imply that, although these legal frameworks exist, their effects on investor confidence are still limited potentially due

to administrative inefficiencies or procedural ambiguity. Similarly, the appropriateness of legislative policy ($\beta = 0.022$) and the Government's role in investment promotion ($\beta = 0.015$) display minor significance, suggesting that policy direction and governmental initiatives, while positive, may not yet have reached the level of consistency required to produce statistically robust outcomes.

Conversely, factors such as corporate and investment laws ($\beta = 0.002$) and legislative–executive coordination ($\beta = 0.001$) yield nearly negligible significance levels, implying that although they conceptually support FDI attraction, their measurable effects remain weak. This may indicate a gap between the existence of legislation and its implementation, a point repeatedly highlighted in legal literature regarding developing investment jurisdictions. Furthermore, judicial guarantees ($\beta = 0.004$) though previously among the strongest positive predictors show low significance here, suggesting that investor perceptions of judicial strength may be influenced by broader contextual factors such as enforcement efficiency and transparency rather than formal legal guarantees alone.

Interestingly, legal challenges and obstacles ($\beta = 0.035$) retain a modest positive significance, which can be interpreted as evidence of increasing transparency and acknowledgment of systemic limitations. In institutional theory, this transparency itself can signal a maturing legal environment that is open to reform an encouraging sign for long-term policy evolution.

Finally, the two-tailed significance analysis indicates that while several legal and policy variables positively influence FDI, their effects are not uniformly strong across the model. The data suggest that Jordan's investment legislation framework is evolving rather than mature its foundational elements are in place, but their consistent application and enforcement remain key determinants of significance. These results emphasize the need for deeper institutional integration, enhanced enforcement mechanisms, and transparent policy communication, which will ultimately strengthen the link between legislative reform and tangible investment outcomes.

4.11 TESTING THE HYPOTHESES

4.11.1 Testing the hypotheses 1

H1. The presence of comprehensive and transparent legislation governing foreign investment in the Hashemite Kingdom of Jordan is expected to positively influence investors' confidence and willingness to enter the Jordanian market.

As shown in table (4.10), The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making with a value of -0.251. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.041 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H1) is accepted.

4.11.2 Testing the hypotheses 2

H2. The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making.

As shown in table (4.10), The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making with a value of 0.155. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.002 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H2) is accepted.

4.11.3 Testing the hypotheses 3

H3. Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows.

As shown in table (4.10), Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation—are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows. with a value of 0.231. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.011 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H3) is accepted.

4.11.4 Testing the hypotheses 4

H4. The implementation of the Companies and Investment Laws contributes to the realization of justice, equity, and sustainable socio-economic development, thereby reinforcing the legitimacy and long-term stability of the investment environment.

As shown in table (4.10), There is not a statistically significant impact of the Companies and Investment Law on achieving justice and social and economic development in the Hashemite Kingdom of Jordan with a value of 0.120. However, this impact is not significantly different from zero at the 0.05 level as P-value is 0.108 which is greater than 0.05 as shown in table (4.13). Therefore, this hypothesis (H4) is rejected.

4.11.5 Testing the hypotheses 5

H5. Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment.

As shown in table (4.10), Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment with a value of 0.341. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.015 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H5) is accepted.

4.11.6 Testing the hypotheses 6

H6. The integration of Companies and Investment Law provisions within the financial market framework, particularly the Amman Stock Exchange, is expected to facilitate capital mobility and increase the volume of foreign portfolio investments.

As shown in table (4.10), There is not a statistically significant impact of the contribution of the Companies and Investment Laws in increasing the volume of foreign investments in the Amman Stock Exchange with a value of -0.221. However, this impact is not significantly different from zero at the 0.05 level as P-value is 0.065 which is greater than 0.05 as shown in table (4.13). Therefore, this hypothesis (H6) is rejected.

4.11.7 Testing the hypotheses 7

H7. The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends.

As shown in table (4.10), The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends with a value of 0.136. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.001 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H7) is accepted.

4.11.8 Testing the hypotheses 8

H8. The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty.

As shown in table (4.10), The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty with a value of 0.354. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.022 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H8) is accepted.

4.11.9 Testing the hypotheses 9

H9. Robust legal and judicial guarantees including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows.

As shown in table (4.10), Robust legal and judicial guarantees—including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows with a value of 0.221. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.004 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H9) is accepted.

4.11.10 Testing the hypotheses 10

H10. Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan.

As shown in table (4.10), Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan with a value of 0.319. However, this impact is significantly different from zero at the 0.05 level as P-value is 0.035 which is less than 0.05 as shown in table (4.13). Therefore, this hypothesis (H10) is accepted.

4.12 SUMMARY OF TESTING HYPOTHESIS

Table (4.18) shows a summary of the study hypothesis test.

Table 4.14 Summary of testing hypothesis

#	Description	Result
H1	The presence of comprehensive and transparent legislation governing foreign investment in the Hashemite Kingdom of Jordan is expected to positively influence investors' confidence and willingness to enter the Jordanian market.	Accepted
H2	The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making	Accepted
H3	Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation—are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows.	Accepted
H4	The implementation of the Companies and Investment Laws contributes to the realization of justice, equity, and sustainable socio-economic development, thereby reinforcing the legitimacy and long-term stability of the investment environment.	Rejected
H5	Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation	Accepted

#	Description	Result
	frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment.	
H6	The integration of Companies and Investment Law provisions within the financial market framework, particularly the Amman Stock Exchange, is expected to facilitate capital mobility and increase the volume of foreign portfolio investments.	Rejected
H7	The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends.	Accepted
H8	The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty.	Accepted
H9	Robust legal and judicial guarantees—including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows.	Accepted
H10	Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan.	Accepted

The table above shows the results of the hypothesis examination, in the research there are the results showed acceptance of 8 hypotheses (H1, H2, H3, H5, H7, H8, H9, and H10). While 2 were rejected (H4 and H6).

4.13 CHAPTER SUMMARY

The analysis conducted in this chapter provided empirical validation for the study's hypotheses, revealing the extent to which Jordan's Companies and Investment Laws influence FDI inflows, investor confidence, and market competitiveness. The results demonstrated a positive relationship between legislative clarity, investment incentives, and the volume of foreign capital, while also highlighting certain procedural and institutional challenges.

The findings presented in this chapter reveal a multifaceted relationship between Jordan's legal framework and its practical capacity to attract and sustain foreign direct

investment. The statistical analysis confirms that while the Companies and Investment Laws provide a solid legislative foundation, their effectiveness largely depends on the procedural clarity, institutional coordination, and enforcement mechanisms that translate these laws into actionable outcomes. The relatively moderate impact of legislative variables on investment growth suggests that legal reforms alone are insufficient without parallel improvements in administrative efficiency, judicial reliability, and regulatory transparency. Furthermore, the results underscore the importance of aligning Jordan's investment policies with international best practices, particularly those related to dispute resolution, investor protection, and governance standards. Therefore, the next chapter builds on these analytical insights to propose comprehensive policy recommendations aimed at strengthening the synergy between law and practice, enhancing institutional effectiveness, and fostering a more predictable and attractive investment environment within the Hashemite Kingdom of Jordan.

The next chapter builds on these findings by integrating them with the theoretical perspectives discussed earlier. Chapter Five discusses the implications of these results for legal reform, policy development, and future research, offering a synthesis that connects empirical outcomes with normative recommendations.

CHAPTER FIVE

DISCUSSION, SUMMARY OF FINDINGS, RECOMMENDATIONS

5.1 INTRODUCTION

This study initiated by delving into research problems, research inquiries, research objectives, and the study's significance. Subsequently, an extensive examination of the existing body of literature within the relevant field was presented to provide a solid foundation for the research. Following this, the researcher formulated the research model and pertinent hypotheses, drawing from insights gained through preliminary investigations, prior research, and relevant theories. The research methodology was then expounded upon, outlining the data collection process and the application of selected statistical tools for analysis. Lastly, this chapter summarizes the obtained results and the achievements of this study, including the outcomes of hypothesis testing and addressing the research questions. Furthermore, it concludes by highlighting the study's implications, delineating its limitations, and suggesting avenues for future research.

5.2 OVERVIEW OF THE FINDINGS OF THE STUDY

In both Arab and international research, it is evident that the primary focus has been on investigating the influence of diverse factors and their correlation with foreign direct investment. These studies have delved into assessing how these factors impact the volume of foreign investment, and some have explored the role of foreign investments in generating employment opportunities, enhancing productivity, and bolstering export activities.

In contrast, our study has chosen to concentrate specifically on the legal and legislative dimensions associated with the Jordanian Companies Law and the Jordanian Investment Law, encompassing any recent revisions made to their provisions. An essential component of our research involves soliciting input from foreign companies' owners, managers, and employees to gauge their perspective on the extent to which the Jordanian Companies Law and the Jordanian Investment Law serve as incentives for foreign companies and the extent to which these entities derive benefits from these legal frameworks that cater to their specific needs.

Consequently, the primary objective of our study is to address gaps in prior research

and supplement the recommendations put forth by previous studies. These prior studies have advocated for the examination of additional facets of corporate and investment laws in their multifaceted dimensions, thereby contributing to the enrichment of the theoretical framework pertaining to this subject matter. This study has succeeded in advancing the state of knowledge concerning the research objectives and hypotheses summarized in the ensuing Table 5.1

Table 5.1 Summary of Objectives and Hypotheses

	Objective	Hypotheses
1	Studying legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan.	The presence of comprehensive and transparent legislation governing foreign investment in the Hashemite Kingdom of Jordan is expected to positively influence investors' confidence and willingness to enter the Jordanian market.
2	Clarifying the impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan.	The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making
3	Mention the incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law.	Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation—are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows.
4	Statement of the impact of the laws of companies and investment in achieving justice and social and economic development.	The implementation of the Companies and Investment Laws contributes to the realization of justice, equity, and sustainable socio-economic development, thereby reinforcing the legitimacy and long-term stability of the investment environment.
5	Studying the role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment.
6	Know how the Companies and Investment Laws contribute to increasing the volume of foreign	The integration of Companies and Investment Law provisions within the financial market framework, particularly the Amman Stock Exchange, is expected to

	investments in the Amman Stock Exchange.	facilitate capital mobility and increase the volume of foreign portfolio investments.
7	Clarify the role played by legislative and executive bodies in developing legislation that attracts foreign investments.	The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends.
8	Studying the appropriateness of legislative policy in attracting foreign investments.	The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty.
9	Know the legal and judicial guarantees to protect and attract foreign investments.	Robust legal and judicial guarantees—including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows.
10	Clarify the legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan.	Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan.

5.3 SUMMARY OF RESEARCH FINDINGS

In this study, a set of ten hypotheses were tested to investigate the impact of various factors on foreign investments in the Hashemite Kingdom of Jordan. The results revealed that Hypotheses H1, H2, H3, H5, H7, H8, H9, and H10 were accepted, indicating that factors related to the Companies and Investment Law, government incentives, the role of the government, legislative bodies, legislative policy, legal and judicial guarantees, and legal challenges indeed have a statistically significant impact on attracting foreign investments. On the other hand, Hypotheses H4 and H6 were rejected, suggesting the Companies and Investment Law's impact on achieving justice and social and economic development, and its contribution to increasing foreign investments in the Amman Stock Exchange. These findings contribute to enriching the understanding of the legal and legislative aspects concerning foreign investments in Jordan and highlight the complex interplay of these factors in attracting and benefiting foreign companies.

Table 5.2 Summary of Hypothesis Testing

#	Hypotheses	Results
Hypothesis 1	The presence of comprehensive and transparent legislation governing foreign investment in the Hashemite Kingdom of Jordan is expected to positively influence investors' confidence and willingness to enter the Jordanian market.	Supported
Hypothesis 2	The Companies and Investment Laws jointly shape the attractiveness of Jordan's investment climate by defining legal protections, ownership structures, and regulatory procedures that directly affect foreign investors' decision-making	Supported
Hypothesis 3	Government-provided incentives and advantages such as tax exemptions, simplified licensing, and land acquisition facilitation—are hypothesized to strengthen Jordan's competitiveness in attracting foreign capital inflows.	Supported
Hypothesis 4	The implementation of the Companies and Investment Laws contributes to the realization of justice, equity, and sustainable socio-economic development, thereby reinforcing the legitimacy and long-term stability of the investment environment.	Not supported
Hypothesis 5	Active governmental engagement through policy support, investment promotion agencies, and bilateral cooperation frameworks enhances the effectiveness of legal reforms in encouraging and sustaining foreign investment.	Supported
Hypothesis 6	The integration of Companies and Investment Law provisions within the financial market framework, particularly the Amman Stock Exchange, is expected to facilitate capital mobility and increase the volume of foreign portfolio investments.	Not supported
Hypothesis 7	The coordination between legislative and executive authorities in drafting and updating investment-related laws plays a pivotal role in maintaining legal clarity and adaptability to global investment trends.	Supported
Hypothesis 8	The adequacy and coherence of Jordan's legislative policy framework are hypothesized to serve as a strategic determinant of FDI attraction, where policy alignment with international standards reduces investor uncertainty.	Supported
Hypothesis 9	Robust legal and judicial guarantees—including arbitration mechanisms, property-rights enforcement, and contract stability are expected to enhance investor protection and, consequently, FDI inflows.	Supported
Hypothesis 10	Legal and procedural challenges such as administrative delays, regulatory ambiguity, and inconsistent enforcement are hypothesized to negatively influence foreign investors' confidence and impede investment growth in Jordan.	Supported

5.4 DISCUSSION OF HYPOTHESES TESTING

5.4.1 Discussion Hypotheses One

Analyzing the results of the current study in light of the updated literature demonstrates substantial support for the hypothesis that the Companies Law and the Investment Law have a significant effect on attracting foreign investments in the Hashemite Kingdom of Jordan. The present findings indicate that foreign investment decisions are not driven solely by market size or economic opportunity but are also strongly influenced by the quality of the legal and regulatory framework governing entry, operation, protection, and dispute settlement. This conclusion is consistent with the most recent body of literature included in the present study, which increasingly emphasizes that legislative quality, regulatory clarity, institutional coordination, and investor protection are central determinants of foreign investment attraction in Jordan and comparable developing contexts.

First, the current findings are closely aligned with the argument advanced by Alwashah, El Zanati, and Al-Hawary (2025), who emphasized that legal amendments related to investment in Jordan have a direct and positive role in enhancing the attractiveness of the investment environment. Their study suggests that legislative reform is not merely a technical exercise, but a strategic instrument for improving investor confidence and strengthening Jordan's competitiveness as an investment destination. This directly supports the current study's finding that the Companies and Investment Laws are not peripheral legal texts, but central elements in shaping the overall investment climate. In the same direction, Helalat (2022) highlighted that legal guarantees granted to foreign investors in Jordan particularly in relation to protection, legal certainty, and dispute handling constitute a critical pillar in strengthening investor willingness to enter the Jordanian market. These conclusions strongly reinforce the present result that transparent and comprehensive legislation positively affects investor confidence and supports foreign investment inflows.

Second, the current results are also supported by Arabyat and Daoud (2024), who demonstrated that tax policy plays a meaningful role in stimulating and encouraging investment in Jordan. Their findings indicate that investment attraction becomes stronger when fiscal incentives are embedded within a coherent legislative and regulatory

framework. This is highly relevant to the present study because it confirms that incentives, exemptions, and tax-related privileges are most effective when they are legally grounded and procedurally clear. Likewise, Al-Azzam and Darwish (2021), whose work also appears in the updated references, emphasized the positive role of taxation policy in influencing foreign investment decisions. Together, these studies support the current finding that government incentives matter, but that their effectiveness depends on the wider legal structure established through the Companies Law and the Investment Law. In other words, incentives alone are not enough; they must operate within a credible and stable legislative environment.

Third, the present findings correspond with the recent scholarship on regulatory quality and institutional effectiveness. Alzarooni, Al-Shboul, and others (2025) found that regulatory quality plays a decisive role in shaping investment-related outcomes, particularly in systems where market confidence depends on legal predictability and institutional efficiency. Although their study examined the nexus between regulatory quality, foreign direct investment, and banking stability, its implications are directly relevant to the present research. It supports the argument that legal texts alone are insufficient if they are not matched by effective implementation, administrative coherence, and a trustworthy regulatory environment. This point is also echoed more broadly in Arogundade et al. (2026), who showed that institutional governance significantly affects international investment flows. These studies strengthen the interpretation of the current results by showing that the influence of the Companies and Investment Laws must be understood not only in terms of legislative wording, but also in terms of regulatory quality and institutional execution.

Fourth, the current findings are consistent with recent studies on the legal status of foreign companies and the broader corporate law environment in Jordan. Alhunieti, Amoush, and Ibrahim (2024) examined the consequences of foreign companies acquiring legal personality under Jordanian legislation and showed that the corporate legal framework has important implications for the rights, obligations, and operational security of foreign entities. Their work supports the current study's assumption that the Companies Law is not merely an internal corporate statute, but an essential component of the investment legislation system. In the same context, Albalawee and Fahoum (2024) analyzed Jordanian

corporate governance legislation and highlighted the importance of legal modernization, governance quality, and legislative responsiveness in strengthening the business environment. Their findings imply that foreign investors evaluate not only entry incentives, but also the quality of the corporate governance framework within which their capital will function. This strongly supports the present study's conclusion that the Companies Law and the Investment Law jointly shape the attractiveness of Jordan's investment climate by defining ownership structures, legal protections, and operational procedures.

Fifth, the current results also find support in the more recent literature linking law, dispute management, and investor protection. Khalifa (2024) emphasized that disputes and the application of mandatory legal rules have a significant impact on investment decisions in Jordanian law. This is highly relevant to the current study because one of its key findings is that legal and judicial guarantees are crucial in attracting foreign investment. Investors are more willing to commit capital in environments where dispute settlement mechanisms are clear, enforceable, and legally reliable. Similarly, recent international legal studies included in the updated references such as Aniodoh (2025), Ranjan (2025), and Rutherford (2025) reinforce the importance of balancing investor protection, sovereign regulatory authority, and legal predictability. These references collectively strengthen the current study's conclusion that robust legal guarantees, including arbitration mechanisms and enforceable rights, are central to improving investor trust and supporting FDI inflows.

Sixth, the present findings are also consistent with recent literature connecting investment law to broader developmental and sectoral goals. Al-Hammouri, Al Makhmari, and Al Kalbani (2025) showed that legislative and institutional frameworks play a key role in supporting sustainable development objectives, while Al-Oun, AlMaaitah, and Al-Azamat (2025) emphasized the interplay of regulatory frameworks and infrastructure in Jordan's sustainable energy transition. These studies suggest that the effectiveness of investment legislation should not be assessed only in terms of capital inflows, but also in terms of its contribution to long-term development, sectoral competitiveness, and institutional resilience. This supports the present study's broader interpretation that the Companies and Investment Laws can contribute not only to investment attraction, but also to wider economic and social development, although this contribution may vary depending on the degree of legislative effectiveness and implementation.

Seventh, the updated literature also supports the view that Jordan's investment strategy must be understood within a changing regional and global context. AlZboon (2025) discussed the impact of external shocks on foreign investment in Jordan, showing that legal and institutional resilience becomes even more important under conditions of volatility. In a similar vein, Akbakay (2026) and Akpilic (2026), both included in the updated reference list, emphasize the importance of institutional quality and policy certainty in maintaining investment attractiveness under uncertain global conditions. These studies reinforce the current findings by suggesting that Jordan's Companies Law and Investment Law are increasingly important not merely as static domestic legal instruments, but as mechanisms through which the state manages uncertainty, reduces risk perceptions, and preserves investor confidence in a competitive international environment.

Finally, the comparison between the current findings and the updated literature shows a high degree of consistency. Newer studies do not treat foreign investment attraction as a product of incentives alone; rather, they increasingly view it as the outcome of an integrated legal and institutional system that combines legislative reform, tax policy, investor guarantees, dispute resolution, regulatory quality, corporate governance, and administrative efficiency. This is exactly what the present study confirms. The Companies Law and the Investment Law appear to play a meaningful role in attracting foreign investment to Jordan because they structure the legal environment in which investors assess risk, protection, opportunity, and procedural ease. Accordingly, the present findings are well supported by the recent literature and provide further evidence that improving Jordan's legislative and regulatory framework remains essential for attracting and sustaining foreign investment in a highly competitive and uncertain global economy.

5.4.2 Discussion Hypotheses Two

The results of Hypothesis 2 reveal a statistically significant impact of the Companies and Investment Law on attracting foreign investments in Jordan, as reflected by a coefficient value of 0.155 and a p-value of 0.002, which is below the significance threshold of 0.05. This result indicates that the legal framework governing companies and investment is not merely a formal institutional arrangement, but a substantive determinant of foreign investors' decisions. In other words, the attractiveness of Jordan's investment climate is influenced by the degree to which the legal system provides clear protections,

transparent procedures, enforceable rights, and predictable regulatory treatment for foreign investors. This finding is strongly consistent with the direction of recent literature, which increasingly views legislative quality and regulatory coherence as central pillars of investment competitiveness rather than secondary background conditions.

This result is directly supported by Alwashah, El Zanati, and Al-Hawary (2025), who found that legal amendments related to investment in Jordan play a meaningful role in attracting foreign investors. Their study suggests that legislative reform enhances the credibility of the investment environment by reducing ambiguity and improving the overall attractiveness of the legal system. This closely aligns with the present findings, since the significance of Hypothesis 2 confirms that Companies Law and Investment Law jointly contribute to shaping investor confidence and market appeal. Likewise, Helalat (2022) emphasized that legal guarantees for foreign investment in Jordan, including protection mechanisms and legal certainty, are critical to strengthening investor willingness to enter the Jordanian market. These conclusions provide strong support for the present result, as they confirm that foreign investors respond positively to legal systems that offer security, predictability, and formal protection.

The current finding is also consistent with more recent studies on regulatory quality and institutional effectiveness. Alzarooni, Al-Shboul, and others (2025) showed that regulatory quality substantially affects investment-related outcomes, particularly in environments where institutional trust and legal predictability are essential for market participation. Although their work addressed the relationship between regulatory quality, foreign direct investment, and banking stability, its implications are highly relevant here because it reinforces the idea that legislation attracts investment only when supported by effective regulation and credible implementation. In the same direction, Akbakay (2026) and Akpilic (2026) highlighted the role of policy certainty and institutional quality in sustaining foreign investment under uncertainty conditions. These studies strengthen the interpretation of the current result by showing that the impact of the Companies and Investment Law extends beyond the existence of legal texts to include their coherence, stability, and practical enforceability.

In addition, the result of Hypothesis 2 is reinforced by recent legal scholarship on Jordan's corporate environment. Albalawee and Fahoum (2024) argued that corporate

governance legislation in Jordan plays an important role in improving the quality of the legal business environment, particularly in light of emerging regulatory and technological challenges. Similarly, Alhuniati, Amoush, and Ibrahim (2024) examined the legal consequences of foreign companies acquiring legal personality in Jordanian legislation and demonstrated that the legal status of foreign entities is closely tied to the clarity and structure of the corporate legal system. Together, these studies support the present finding by showing that the Companies Law is not isolated from investment attraction; rather, it forms a core part of the legislative framework through which foreign investors assess rights, obligations, operational legitimacy, and long-term security. This directly supports the current study's conclusion that the Companies Law and the Investment Law jointly shape the attractiveness of Jordan's investment climate.

The present finding can also be understood in light of the broader developmental role of legal frameworks. Arabyat and Daoud (2024) found that tax policy is an important instrument in stimulating and encouraging investment in Jordan, while Khalifa (2024) showed that disputes and the application of mandatory legal rules have significant implications for investment decisions under Jordanian law. These studies indicate that investor decisions are influenced not only by incentives, but also by the broader legal order in which those incentives operate. A tax exemption, for example, has stronger investment value when it is embedded in a stable legislative framework; similarly, dispute-settlement mechanisms are more effective when grounded in a predictable and enforceable legal regime. This supports the present result by confirming that the Companies and Investment Law influence FDI attraction not only through direct provisions, but also through the legal confidence they create across taxation, dispute resolution, and operational procedures.

Furthermore, the significance of Hypothesis 2 is compatible with recent studies linking law and regulation to wider development and sectoral competitiveness. Al-Hammouri, Al Makhmari, and Al Kalbani (2025) emphasized the role of legislative and institutional frameworks in supporting sustainable development goals, while Al-Oun, AlMaaitah, and Al-Azamat (2025) highlighted the interplay between regulatory frameworks and infrastructure in Jordan's energy transition. Although these studies are not limited to foreign investment law in the narrow sense, they reinforce the same underlying principle: a strong and coherent legal environment is essential for mobilizing investment in

strategic sectors. Thus, the result of Hypothesis 2 is not only statistically significant, but also theoretically and empirically consistent with contemporary literature that treats legal structure as a central determinant of investment attractiveness.

In summary, the acceptance of Hypothesis 2 is well supported by the updated literature. The recent studies cited in the present research consistently indicate that foreign investment attraction depends heavily on the existence of a coherent legal and regulatory framework capable of ensuring transparency, investor protection, corporate legitimacy, regulatory quality, and procedural predictability. Therefore, the significant result obtained in this study confirms that the Companies Law and the Investment Law do, in fact, play a meaningful role in attracting foreign investment to Jordan. This finding reinforces the need for continued legislative modernization, stronger institutional coordination, and more effective legal implementation in order to preserve Jordan's competitiveness as an investment destination.

5.4.3 Discussion Hypotheses Three

The acceptance of Hypothesis 3, as indicated by the findings in Tables (4.14) and (4.17), confirms that the incentives and advantages offered by the Jordanian government have a statistically significant impact on attracting foreign direct investment (FDI). The reported p-value of 0.011, which is below the significance threshold of 0.05, provides clear empirical support for the argument that government-backed incentives remain an important component of Jordan's investment attractiveness. This result suggests that incentives such as tax exemptions, customs privileges, procedural facilitation, and legally protected investment advantages are not symbolic policy tools, but effective mechanisms that influence foreign investors' decisions. More importantly, the result indicates that such incentives derive their actual effectiveness from being embedded within a broader legal and institutional framework governed by the Companies Law and the Investment Law.

This finding is strongly supported by Arabyat and Daoud (2024), who demonstrated that tax policy plays a central role in stimulating and encouraging investment in Jordan. Their study shows that fiscal incentives are among the most practical tools through which the state can improve the investment climate and influence capital inflows. This aligns directly with the current findings because Hypothesis 3 is fundamentally concerned with the effect of government-provided advantages on foreign investment attraction. The

significance of the present result therefore confirms that incentives are not peripheral to investment policy, but rather a core part of the legal and economic structure through which Jordan competes for foreign capital. In the same direction, Alwashah, El Zanati, and Al-Hawary (2025) emphasized that legal amendments related to investment in Jordan have enhanced the country's ability to attract foreign investors. Their findings imply that incentives become more influential when supported by updated legislation that improves transparency, reduces ambiguity, and strengthens investor trust.

The present finding is also consistent with Helalat (2022), who stressed the importance of legal guarantees in protecting foreign investment in Jordan. Although Helalat focuses primarily on legal protection rather than incentives in the narrow fiscal sense, the implications of the study are highly relevant here. Incentives become meaningful to investors only when they are legally secure, enforceable, and protected from arbitrary change or inconsistent application. Thus, the significance of Hypothesis 3 may be interpreted not only as evidence that incentives matter, but also as evidence that the credibility of such incentives depends on the strength of the legal framework in which they operate. This gives the current finding a broader legal significance, showing that investor attraction depends on the combined effect of advantages and guarantees rather than on incentives alone.

Further support for the current result can be found in Khalifa (2024), who examined the impact of disputes and the application of mandatory law on investment in Jordanian law. His study suggests that investors assess the value of incentives within the wider context of legal certainty and dispute management. This is particularly important because tax exemptions, procedural privileges, or regulatory advantages lose much of their attractiveness if the investor remains exposed to uncertainty in legal enforcement or dispute resolution. Therefore, the significance of Hypothesis 3 should be understood reflecting not only the value of incentives themselves, but also the importance of a legal environment that preserves their reliability and predictability. From this perspective, Companies Law and Investment Law do not merely grant advantages; they also provide the legal shelter necessary for those advantages to influence investment decisions effectively.

The result is also reinforced by recent studies on regulatory quality and institutional performance. Alzarooni, Al-Shboul, and others (2025) found that regulatory quality plays

a decisive role in shaping investment-related outcomes, especially where confidence in the legal and institutional environment is essential. Their findings are relevant to the present hypothesis because they indicate that incentives are most effective when delivered through efficient, predictable, and trustworthy institutions. Likewise, Akbakay (2026) and Akpilic (2026) highlighted the importance of institutional quality and policy certainty in sustaining foreign investment under uncertain conditions. These studies support the present finding by suggesting that government incentives cannot be evaluated in isolation; rather, they should be viewed as part of a wider regulatory system that determines how investors perceive opportunity and risk. Accordingly, the significance of Hypothesis 3 confirms that incentives matter most when they are integrated into a stable and coherent legal framework.

In addition, recent Jordan-focused scholarship on corporate regulation provides an important complementary perspective. Albalawee and Fahoum (2024) highlighted the need for legal modernization in Jordanian corporate governance legislation, while Alhunieti, Amoush, and Ibrahim (2024) examined the legal consequences of foreign companies acquiring legal personality under Jordanian legislation. These studies indirectly support the current finding by showing that investor attraction depends not only on the existence of benefits, but also on the quality of the corporate legal environment into which foreign capital enters. Government incentives may encourage market entry, but the long-term effectiveness of those incentives depends on the strength of company regulation, governance standards, and legal recognition of foreign corporate activity. This means that the result of Hypothesis 3 should not be interpreted in a narrow fiscal sense only; it also reflects the importance of the overall legislative ecosystem in which incentives are granted and exercised.

The current result also aligns with recent literature linking incentives and regulation to broader development and sectoral priorities. Al-Hammouri, Al Makhmari, and Al Kalbani (2025) emphasized the role of legislative and institutional frameworks in advancing sustainable development goals, while Al-Oun, AlMaaitah, and Al-Azamat (2025) stressed the interplay of regulatory frameworks and infrastructure in Jordan's sustainable energy transition. These studies suggest that incentives should not be designed as isolated short-term attractions, but rather as strategic legal instruments aligned with national development priorities, sectoral competitiveness, and long-term institutional

reform. This interpretation is highly relevant to the current study because it supports the idea that government incentives and advantages are most effective when linked to broader economic modernization efforts rather than treated as standalone concessions.

Moreover, the broader international literature included in the updated reference list strengthens this conclusion. Recent works such as Aniodoh (2025), Ranjan (2025), and Rutherford (2025) indicate that modern investment attraction increasingly depends on the balance between investor benefits, legal responsibility, and institutional predictability. Although these studies are framed within international investment law, their relevance to the current finding is clear: government incentives are important, but their effectiveness depends on their compatibility with rule-based governance, legal clarity, and investor protection. This broader perspective supports the present study's conclusion that Jordan's incentive system plays an influential role in attracting FDI, but that its success depends on being embedded within a modern legislative framework capable of sustaining investor confidence over time.

In summary, the acceptance of Hypothesis 3 is strongly supported by the updated literature. The recent studies cited in the current research indicate that government incentives and advantages remain a statistically and practically important driver of foreign investment attraction in Jordan. However, they also show that such incentives are most effective when integrated with legal guarantees, institutional quality, regulatory consistency, and broader legislative reform. Therefore, the present finding confirms that Jordanian government incentives do play a meaningful role in attracting FDI, but their long-term success depends on maintaining a coherent legal framework that connects incentives with predictability, protection, and strategic economic policy.

5.4.4 Discussion Hypotheses Four

The rejection of Hypothesis 4, as evidenced in Tables (4.14) and (4.17), indicates that the Companies and Investment Law do not have a statistically significant impact on achieving justice and socio-economic development in the Hashemite Kingdom of Jordan. This conclusion is supported by the reported p-value of 0.108, which exceeds the significance threshold of 0.05. Statistically, this means that the study did not find sufficient evidence to confirm that the current legal framework governing companies and investment has translated into a measurable contribution to justice, equity, and broader social and

economic development. This result is important because it does not necessarily imply that the legal framework lacks value altogether; rather, it suggests that its developmental and distributive effects may be weaker, indirect, uneven, or insufficiently institutionalized compared with its clearer role in attracting and facilitating investment.

This finding can be interpreted in light of the recent literature, which increasingly distinguishes between investment attraction and developmental transformation. Several of the updated studies in your reference list suggest that attracting foreign investment does not automatically guarantee equitable socio-economic outcomes unless investment legislation is effectively linked to national development priorities, institutional capacity, and sectoral policy design. For example, Adam and Amoah (2025) argued that foreign investment contributes most effectively when it is connected to knowledge-economy innovation and broader management outcomes rather than being treated merely as a capital inflow. Likewise, Dinh and Huy (2026) and Onounga (2025) emphasized that the developmental effects of FDI depend on the surrounding governance and sustainability context. These studies support the current result by implying that the existence of Companies and Investment Laws may succeed in improving the formal investment environment without necessarily producing direct or immediate outcomes in justice and socio-economic development.

The present finding is also compatible with Al-Hammouri, Al Makhmari, and Al Kalbani (2025), who emphasized that legislative and institutional frameworks contribute to environmental protection and sustainable development goals only when they are embedded in a broader implementation system and aligned with practical policy mechanisms. Similarly, Al-Oun, AlMaaitah, and Al-Azamat (2025) stressed the interplay between regulatory frameworks and infrastructure in Jordan's sustainable energy transition. The significance of these studies for the current result lies in their shared implication that legislation alone is rarely sufficient to produce measurable developmental justice. In other words, the rejection of Hypothesis 4 suggests that while Jordan's Companies Law and Investment Law may help structure investment activity, they may not yet be sufficiently integrated with social policy, redistribution mechanisms, labor-market inclusion, regional equity, and sector-specific development planning to yield statistically significant justice and development outcomes.

A similar interpretation may be drawn from Jubran, Radaideh, and Al-Sawaie (2025), who addressed the impact of foreign direct investment on job opportunities in the Jordanian economy. Their work is relevant because employment creation is often treated as one of the most visible channels through which foreign investment contributes to socio-economic development. However, the present result suggests that even if investment contributes to employment or growth in some areas, such contributions may not be broad enough to support a statistically significant conclusion regarding justice and socio-economic development at the overall level examined in this study. This means that the legal framework may be effective in enabling investment entry, but less effective in ensuring that the benefits of investment are distributed in a socially balanced and developmentally inclusive manner.

The rejection of Hypothesis 4 is further understandable when viewed through the lens of regulatory quality and institutional execution. Alzarooni, Al-Shboul, and others (2025) emphasized that regulatory quality significantly shapes investment-related outcomes, while Akbakay (2026) and Akpilic (2026) highlighted the importance of institutional quality and policy certainty in determining the broader effects of foreign investment. These studies are important because they imply that the social and developmental value of law depends not only on the legal text itself, but also on the quality of implementation, administrative fairness, and the ability of institutions to convert legal provisions into tangible societal outcomes. Thus, the non-significant result for Hypothesis 4 may reflect an implementation gap rather than a purely legislative deficiency. Companies and Investment Laws may provide an attractive framework for investors yet remain insufficiently connected to institutional arrangements capable of translating investment activity into equitable development outcomes.

The current result also finds support in recent legal studies showing that investor-oriented legal reforms may strengthen investment confidence without necessarily resolving broader justice concerns. Helalat (2022) focused on legal guarantees for the protection of foreign investment in Jordan, and Khalifa (2024) examined the impact of disputes and mandatory law application on investment. Both studies support the proposition that Jordanian investment-related laws are significantly concerned with legal protection, predictability, and dispute resolution. However, these objectives, while essential for

investment attraction, are not identical to the goals of social justice or inclusive development. This helps explain why Hypothesis 4 was rejected: the current legal framework may be more effective in protecting investors and structuring transactions than in ensuring distributive justice, balanced regional development, or broad-based socio-economic gains.

Moreover, recent Jordanian corporate law scholarship provides an additional explanatory angle. Albalawee and Fahoum (2024) highlighted the modernization of corporate governance legislation, and Alhuniyeti, Amoush, and Ibrahim (2024) examined the legal consequences of foreign companies acquiring legal personality under Jordanian law. These studies indicate that recent legal developments have been strongly oriented toward improving legal certainty, governance structure, and operational legitimacy for foreign and domestic companies. While these reforms are important, they are primarily corporate and regulatory in nature. Their direct contribution to justice and socio-economic development may therefore remain limited unless complemented by more explicit developmental provisions related to employment quality, local value creation, regional inclusion, SME linkages, and social accountability. This interpretation aligns closely with the rejection of Hypothesis 4, as it suggests that the legal framework may currently be stronger on investment facilitation than on social redistribution or inclusive development.

The broader international literature in your updated references also supports a cautious reading of this result. Rodríguez-Chávez et al. (2024), Ochi et al. (2025), and Ning, Alessa, and Dawuni (2026) all suggest that the relationship between foreign investment and sustainable development is conditional rather than automatic. Investment may support growth, technology transfer, or structural change, but these outcomes depend on institutional depth, sectoral absorption, regulatory oversight, and policy coordination. Therefore, the current result is not anomalous; rather, it reflects a pattern widely acknowledged in recent scholarship: laws that attract investment may still fall short of producing socially inclusive and developmentally balanced outcomes unless they are explicitly aligned with distributive and developmental objectives.

From a policy perspective, the rejection of Hypothesis 4 offers a valuable point of reflection rather than a negative verdict on the legal system as a whole. It suggests that Jordan's Companies Law and Investment Law may need to be revisited, not necessarily to

make them more investment-friendly, but to make them more development-sensitive and socially responsive. This could involve linking investment incentives more clearly to job creation quality, knowledge transfer, regional development, environmental responsibility, SME integration, and measurable social outcomes. It may also require stronger coordination between investment legislation and broader national strategies such as the Economic Modernisation Vision (2022), so that investment is not evaluated merely by volume, but by its capacity to generate equitable and sustainable development. Such an interpretation is fully consistent with the objectives and problem statement of your study, which explicitly raise the issue of justice, social development, and the broader developmental function of law in Jordan.

In summary, the rejection of Hypothesis 4 indicates that the Companies and Investment Law, in their current form, do not exert a statistically significant impact on achieving justice and socio-economic development in Jordan. The updated literature supports this result by showing that while legal and regulatory frameworks may succeed in attracting and protecting investment, their developmental and distributive impact depends on deeper integration with institutional quality, sectoral strategy, and social policy objectives. Accordingly, the present finding does not diminish the importance of Jordan's legal framework; rather, it highlights the need for its further refinement so that it can move beyond investment facilitation toward a more inclusive and development-oriented legislative model.

5.4.5 Discussion Hypotheses Five

The acceptance of Hypothesis 5, as evidenced by the results in Tables (4.14) and (4.17), confirms that the government of the Hashemite Kingdom of Jordan has a statistically significant impact on attracting, supporting, and encouraging foreign investment. The reported p-value of 0.015, which is below the significance threshold of 0.05, indicates that governmental action is not a secondary or symbolic factor, but a meaningful determinant in shaping Jordan's investment climate. This finding implies that foreign investors respond not only to the existence of formal legislation, but also to the active role of the state in promoting investment, facilitating procedures, providing institutional support, and signaling policy commitment. In this sense, the current result suggests that the effectiveness of Companies Law and the Investment Law is strengthened when accompanied by active

governmental engagement and implementation mechanisms.

This finding is strongly supported by the recent Jordanian literature. Alwashah, El Zanati, and Al-Hawary (2025) showed that legal amendments related to investment in Jordan contribute positively to attracting foreign investors, but the significance of their argument lies not only in the amendments themselves, but also in the state's active role in introducing and operationalizing such reforms. Their study supports the present result by indicating that legislative effectiveness depends on governmental willingness to update the legal environment and translate reform into a credible investment message. Similarly, Arabyat and Daoud (2024) demonstrated that tax policy plays a significant role in stimulating and encouraging investment in Jordan, which further supports the present finding because tax incentives and fiscal advantages are ultimately expressions of deliberate governmental policy rather than neutral market forces. Together, these studies reinforce the conclusion that the Jordanian government has a substantial role in shaping the investment climate through policy design, legal reform, and practical facilitation.

The current result is also consistent with Helalat (2022), who emphasized the importance of legal guarantees in protecting foreign investment in Jordan. Although the focus of that study is legal protection, its implications extend directly to the current hypothesis. Legal guarantees do not function in a vacuum; they require public institutions to enforce them, administrative bodies to uphold them, and government agencies to provide investors with confidence that the law will be implemented consistently. Accordingly, the significance of Hypothesis 5 confirms that the government's role extends beyond drafting laws to actively sustaining the institutional environment within which those legal guarantees become effective. This interpretation is especially important because it highlights that investor confidence is shaped as much by state behavior and administrative responsiveness as by statutory text.

Further support for the present finding can be found in Khalifa (2024), who examined the impact of disputes and the application of mandatory legal rules on investment in Jordanian law. His study suggests that the way the state manages legal disputes, mandatory rules, and enforcement practices has a direct influence on investment confidence. This is highly relevant to Hypothesis 5 because it indicates that government effectiveness in attracting FDI is not limited to promotional discourse or incentives but also

includes the ability to create a predictable and reliable legal-administrative environment. In other words, the government attracts investment not merely by inviting investors, but by governing the investment relationship in a way that reduces uncertainty and reinforces legal trust. This directly supports the current result.

The significance of Hypothesis 5 is further reinforced by studies on regulatory quality and institutional governance. Alzarooni, Al-Shboul, and others (2025) found that regulatory quality affects investment-related outcomes in a substantive way, especially in systems where stability and institutional trust matter for long-term investment decisions. Likewise, Akbakay (2026) and Akpilic (2026) emphasized that policy certainty and institutional quality are major determinants of foreign investment under uncertain global conditions. These studies are directly relevant because they show that government action matters most when it improves regulatory coherence, institutional credibility, and policy predictability. Therefore, the present finding may be interpreted as evidence that the Jordanian government's role is statistically significant not only because it offers support measures, but because it helps reduce investor risk through institutional stewardship and regulatory coordination.

Recent Jordanian corporate law scholarship also complements this result. Albalawee and Fahoum (2024) highlighted the modernization of Jordanian corporate governance legislation, while Alhunieti, Amoush, and Ibrahim (2024) discussed the legal consequences of foreign companies acquiring legal personality in Jordanian legislation. These studies suggest that the government's contribution to attracting foreign investment operates partly through improving the legal-business environment in which foreign entities are recognized, governed, and protected. This supports the present finding because it indicates that government involvement in investment attraction is not limited to incentives or promotion campaigns; it also includes the ongoing modernization of corporate regulation and the facilitation of legally secure business structures for foreign firms. From this perspective, Hypothesis 5 is confirmed not only by direct investment policy, but also by the government's broader regulatory role in shaping an investor-friendly corporate ecosystem.

The result also aligns with studies connecting government action to development strategy and sectoral transformation. Al-Hammouri, Al Makhmari, and Al Kalbani (2025)

emphasized the role of legislative and institutional frameworks in supporting sustainable development goals, while Al-Oun, AlMaaitah, and Al-Azamat (2025) stressed the interplay between regulatory frameworks and infrastructure in Jordan's energy transition. These studies imply that government involvement in investment attraction is most effective when it is linked to broader developmental priorities rather than confined to narrow transactional incentives. This is consistent with the current finding, as it suggests that the Jordanian government's role in encouraging foreign investment becomes stronger when it is embedded in national planning, institutional reform, and sectoral strategy.

In addition, Jubran, Radaideh, and Al-Sawaie (2025) examined the impact of foreign direct investment on job opportunities in the Jordanian economy, offering an important complementary perspective. Their study indicates that government efforts to attract investment may be evaluated not only in terms of inflow volume, but also in terms of their capacity to support employment and wider economic outcomes. This is relevant to the current hypothesis because it suggests that governmental encouragement of FDI is meaningful when it contributes to broader national objectives. The significance of Hypothesis 5 may therefore be interpreted as reflecting a governmental role that is simultaneously promotional, regulatory, and developmental.

The broader international literature in the updated reference list also supports the current finding. Studies such as Aniodoh (2025), Ranjan (2025), and Rutherford (2025) indicate that investment attraction increasingly depends on the state's ability to balance investor support with legal order, institutional legitimacy, and responsible governance. This is directly relevant to Jordan because it suggests that governments attract investment most effectively when they combine facilitation with credibility. The present finding is therefore consistent with a wider trend in contemporary investment scholarship: foreign investors are more likely to respond positively where government action is visible, coordinated, and legally grounded.

From a policy perspective, the acceptance of Hypothesis 5 carries an important implication. It indicates that Jordan's success in attracting and supporting foreign investment should not rely solely on the static existence of favorable laws, but also on continued governmental engagement through policy refinement, institutional support, dispute-management capacity, and strategic promotion. The finding suggests that public

authorities should continue strengthening investor services, improving inter-agency coordination, streamlining administrative procedures, and aligning investment promotion efforts with national development strategies such as the Economic Modernisation Vision (2022). In this way, the government's role can move from being merely facilitative to being strategically transformative.

In summary, the acceptance of Hypothesis 5 confirms the pivotal role of the Jordanian government in attracting, supporting, and encouraging foreign investment. The updated literature supports this conclusion by showing that governmental influence operates through legal reform, fiscal policy, institutional quality, regulatory credibility, and developmental coordination. Accordingly, the present result demonstrates that foreign investment attraction in Jordan is not determined by law alone, but by the government's practical capacity to activate and sustain the legal and institutional environment in which investors make decisions.

5.4.6 Discussion hypotheses Six

The rejection of Hypothesis 6, as reflected in Tables (4.14) and (4.17), indicates that the contribution of the Companies and Investment Laws does not have a statistically significant impact on increasing the volume of foreign investments in the Amman Stock Exchange. The reported p-value of 0.065, which is above the conventional significance threshold of 0.05, suggests that the legal framework governing companies and investment, in their current form, is not sufficient on its own to produce a measurable increase in foreign investment participation within the stock market. This finding is analytically important because it highlights a distinction between the broader role of law in attracting foreign investment into the economy and its more specific role in influencing foreign participation in the formal capital market. In other words, the laws may contribute to investment attraction generally, yet their direct effect on foreign investment volume in the Amman Stock Exchange appears weaker or mediated by other market-specific factors.

This result is consistent with the broader interpretation already embedded in the current study's literature review, which notes that although legal clarity and investor protection are important for capital mobility, prior work in Jordan has focused more heavily on foreign direct investment in the broader economy than on foreign portfolio participation in the stock exchange specifically. The literature review itself acknowledges that the

Amman Stock Exchange introduces a distinctive analytical dimension because foreign investors in capital markets assess additional variables such as exit opportunities, tradability, shareholder rights, financial disclosure, market depth, and the legal stability of participation in listed firms. This helps explain why Hypothesis 6 was rejected: the Companies Law and the Investment Law may improve the general investment climate, but stock-market participation requires a more specialized combination of legal, regulatory, financial, and governance conditions.

The present finding is supported by recent scholarship on corporate governance, disclosure, and regulatory quality, which suggests that capital-market investors often respond to a narrower and more demanding set of signals than investors in other sectors. For example, Albalawee and Fahoum (2024) examined Jordanian corporate governance legislation and highlighted the importance of legal modernization in strengthening the corporate environment. Likewise, Alghizzawi, Megdadi, and Abushareah (2024) emphasized transparency and disclosure issues in Jordan's corporate governance system, while Alhababsah (2022) focused on the oversight role of audit committees in the Jordanian context. These studies are highly relevant to the rejection of Hypothesis 6 because they imply that stock-market-oriented foreign investment depends not merely on the existence of investment-friendly laws, but on the quality of governance, disclosure credibility, and monitoring structures within listed firms and regulated markets. Thus, the non-significant result may reflect the fact that general companies and investment legislation does not automatically translate into stronger foreign participation in the exchange unless it is accompanied by deeper improvements in corporate governance and market transparency.

A similar interpretation emerges from the recent literature on the relationship between regulatory quality and investment outcomes. Alzarooni, Al-Shboul, and others (2025) showed that regulatory quality has a decisive effect on investment-related outcomes, while Akbakay (2026) and Akpilic (2026) emphasized the role of policy certainty, institutional quality, and financial development in sustaining foreign investment under uncertainty. These studies support the current result because they suggest that foreign investors in financial markets may be especially sensitive to institutional and regulatory quality, not only to statutory investment provisions. Therefore, the rejection of Hypothesis 6 does not necessarily mean that the Companies Law and the Investment Law are irrelevant

to the Amman Stock Exchange; rather, it suggests that their effect is likely filtered through additional determinants such as market liquidity, regulatory sophistication, corporate reporting quality, and the overall institutional credibility of the financial system.

The present finding may also be interpreted in light of recent work on capital markets competitiveness and corporate investment environments. The updated reference list includes studies such as Jafeel, Chu, and Abdalla (2024) on board effectiveness and corporate investment in emerging markets, Labban and Roussel (2025) on governance frameworks and performance in MENA banking environments, and Gurrea-Martínez (2025) on strengthening the international competitiveness of capital markets. Taken together, these works point toward an important conclusion: foreign participation in capital markets tends to depend on more than the general business and investment climate. It is strongly shaped by governance quality at the firm level, institutional attractiveness at the market level, and the broader competitiveness of the financial architecture. This supports the current study's result by suggesting that the Amman Stock Exchange may require more targeted legal and regulatory interventions than those offered by the Companies Law and the Investment Law in their broader formulation.

The rejection of Hypothesis 6 is also compatible with the logic of recent studies on foreign company legal status and legislative facilitation. Alhuniyeti, Amoush, and Ibrahim (2024) examined the consequences of foreign companies acquiring legal personality in Jordanian legislation, while Helalat (2022) emphasized legal guarantees for protecting foreign investment. These studies support the idea that Jordanian law has made meaningful progress in structuring the legal position of foreign investors and companies. However, the present finding suggests that such protections may be more effective in supporting investment establishment, legal recognition, and operational security than in directly increasing foreign capital flows into the stock exchange. Portfolio investment decisions often depend on market-based calculations that extend beyond company registration and investment guarantees, including valuation efficiency, market liquidity, shareholder exit options, and confidence in the governance of listed entities. Accordingly, the rejection of Hypothesis 6 reflects a reasonable distinction between investor protection in general and foreign stock-market participation in particular.

In addition, the current result aligns with the broader conclusion of the study that

some variables related to law and policy show significant effects on attracting foreign investment, whereas others do not. The summary of findings in your draft explicitly shows that Hypotheses H1, H2, H3, H5, H7, H8, H9, and H10 were accepted, while H4 and H6 were rejected. This pattern is revealing. It suggests that the legal framework is effective in areas related to legislative clarity, incentives, governmental role, legislative policy, legal guarantees, and legal challenges, but less effective when the issue concerns broader distributive development or the specific functioning of the stock exchange. In short, the law appears to work more strongly as a general investment enabler than as a direct driver of foreign market capitalization within the Amman Stock Exchange.

From a policy perspective, the rejection of Hypothesis 6 carries a clear implication: if Jordan aims to increase foreign investment volume in the Amman Stock Exchange, general legal reform may not be enough by itself. More market-specific mechanisms may be needed, such as strengthening disclosure rules, deepening governance standards for listed firms, improving minority shareholder confidence, enhancing institutional oversight, and increasing the competitiveness and liquidity of the exchange. This interpretation is fully consistent with the literature's distinction between broad investment climate reform and capital-market-specific reform. It also aligns with the study's own framing of the Amman Stock Exchange as a special domain within the wider investment environment rather than a simple extension of general FDI dynamics.

In summary, the rejection of Hypothesis 6 indicates that the Companies and Investment Laws, despite their broader importance in Jordan's investment framework, do not exert a statistically significant direct effect on increasing the volume of foreign investments in the Amman Stock Exchange. The updated literature supports this result by showing that foreign participation in stock markets depends on a more specialized set of conditions involving governance quality, regulatory sophistication, financial-market competitiveness, transparency, and institutional confidence. Accordingly, the present finding highlights the need to complement general legislative reform with targeted capital-market measures if Jordan wishes to strengthen the Amman Stock Exchange as a more attractive destination for foreign investment.

5.4.7 Discussion hypotheses Seven

The acceptance of Hypothesis 7, as indicated by the results in Tables (4.14) and

(4.17), confirms that legislative and executive bodies play a statistically significant role in developing legislation that attracts foreign investment in Jordan. The reported p-value of 0.001, which is well below the significance threshold of 0.05, provides strong empirical support for the conclusion that foreign investment attraction is influenced not only by the content of legal rules, but also by the institutional process through which those rules are drafted, updated, implemented, and operationalized. This finding is particularly important because it shifts the discussion from law as a static text to law as an active product of coordinated state action. In the Jordanian context, this means that the effectiveness of the Companies Law and the Investment Law depend substantially on the ability of legislative and executive authorities to respond to economic needs, modernize legal provisions, and ensure that reform is translated into a credible and workable investment environment.

This result is strongly supported by Alwashah, El Zanati, and Al-Hawary (2025), who found that legal amendments related to investment in Jordan play a meaningful role in attracting foreign investors. Their study is especially relevant to Hypothesis 7 because it implicitly highlights the importance of the institutions responsible for producing those amendments. Legislative improvement does not occur spontaneously; it is the outcome of deliberate governmental and parliamentary action aimed at updating the investment framework in line with changing market conditions and investor expectations. Accordingly, the current finding aligns with their conclusion by showing that the role of legislative and executive bodies is not secondary to investment attraction, but central to it. Similarly, Arabyat and Daoud (2024) demonstrated that tax policy in Jordan serves as an important tool for stimulating investment, and such policy necessarily depends on coordinated legislative enactment and executive application. Together, these studies reinforce the present result by showing that state institutions shape the investment climate through both legal reform and policy design.

The significance of Hypothesis 7 is also consistent with Helalat (2022), who emphasized the importance of legal guarantees for protecting foreign investment in Jordan. The relevance of this study to the current finding lies in the fact that legal guarantees require more than textual recognition; they require institutional commitment from legislative and executive bodies to establish, preserve, and enforce them. In other words, investor protection becomes effective only when public authorities ensure that the legal system

remains coherent, enforceable, and administratively supported. This supports the present result by confirming that the institutional role of the state is a decisive factor in transforming legal provisions into practical investment assurances.

Further support for the current result can be found in Khalifa (2024), who examined the impact of disputes and the application of mandatory law on investment in Jordanian law. His study indicates that the treatment of legal disputes, the scope of mandatory rules, and the consistency of legal application all influence the confidence of investors. These are precisely the kinds of issues that depend on active interaction between legislative and executive authorities. Legislators define the structure of legal obligations and guarantee, while executive institutions apply, interpret, and administer them. Therefore, the current finding is consistent with Khalifa's work in showing that legislation attracting investment must be continuously shaped by institutions capable of balancing legal certainty, flexibility, and enforcement effectiveness.

The result of Hypothesis 7 is further reinforced by recent studies on regulatory quality and institutional governance. Alzarooni, Al-Shboul, and others (2025) found that regulatory quality substantially influences investment-related outcomes, while Akbakay (2026) and Akpilic (2026) emphasized the importance of institutional quality and policy certainty in maintaining investment attractiveness under uncertain conditions. These studies are highly relevant because they show that the success of legislation depends not merely on formal enactment, but on the broader institutional environment within which it is developed and implemented. This directly supports the current finding: legislative and executive bodies matter because they are responsible for producing policy certainty, institutional coordination, and regulatory coherence, all of which shape investor perceptions and foreign investment decisions.

Recent Jordanian scholarship on corporate regulation also complements this interpretation. Albalawee and Fahoum (2024) highlighted the modernization of Jordanian corporate governance legislation, and Alhuniati, Amoush, and Ibrahim (2024) examined the legal consequences of foreign companies acquiring legal personality under Jordanian law. These studies imply that legislative development in Jordan has practical significance for the status, protection, and governance of foreign business entities. This is important for Hypothesis 7 because it shows that legislative and executive bodies influence investment

attraction not only through general investment statutes, but also through the refinement of corporate law, governance rules, and the legal architecture within which foreign companies operate. Accordingly, the present finding supports the view that institutional actors contribute to investment attraction by shaping a broader legal ecosystem rather than a single isolated statute.

The finding also aligns with studies connecting legislation to development strategy and sectoral transformation. Al-Hammouri, Al Makhmari, and Al Kalbani (2025) emphasized the importance of legislative and institutional frameworks in supporting sustainable development objectives, while Al-Oun, AlMaaitah, and Al-Azamat (2025) highlighted the relationship between regulatory frameworks and Jordan's energy transition. These studies suggest that lawmaking bodies and executive authorities are most effective when they develop legislation in a way that is responsive to sectoral priorities and national transformation agendas. This supports the current result because it indicates that successful investment legislation is not generic; it must be adaptive, strategic, and aligned with broader economic planning. Thus, the acceptance of Hypothesis 7 reflects the importance of a legislative process that is responsive to both investor needs and national development goals.

In addition, Jubran, Radaideh, and Al-Sawaie (2025) examined the impact of foreign direct investment on job opportunities in the Jordanian economy, offering an important developmental perspective on legislative effectiveness. Their study suggests that the value of investment-related legislation can also be understood through its contribution to broader national outcomes such as employment and economic activity. This is relevant to Hypothesis 7 because it implies that legislative and executive bodies are not merely responsible for drafting investor-friendly rules, but also for aligning those rules with national socioeconomic objectives. Therefore, the present finding may be interpreted as evidence that legislative development is most meaningful when it integrates investment attraction with broader public policy goals.

The broader international legal literature included in the updated reference list further supports this conclusion. Studies such as Aniodoh (2025), Ranjan (2025), and Rutherford (2025) indicate that investment attraction increasingly depends on a state's ability to develop laws that balance investor protection, state sovereignty, and responsible governance. This balance cannot be achieved without effective legislative and executive

coordination. The present result is therefore consistent with a wider global pattern: countries that succeed in attracting foreign investment are often those whose institutions can continuously refine legislation in response to international developments, investor expectations, and domestic policy needs.

From a policy standpoint, the acceptance of Hypothesis 7 carries a clear implication. It suggests that Jordan should continue strengthening the interaction between legislative bodies, executive institutions, and investment-related agencies in order to maintain a dynamic and responsive legal framework. This includes updating legal provisions when necessary, improving implementation capacity, reducing regulatory fragmentation, and ensuring that legislation remains aligned with national strategies such as the Economic Modernisation Vision (2022). It also suggests that the legislative process should be informed by stakeholder consultation, institutional feedback, and comparative benchmarking so that laws remain competitive, practical, and credible in the eyes of foreign investors.

In summary, the acceptance of Hypothesis 7 confirms the pivotal role of legislative and executive bodies in developing legislation that attracts foreign investment in Jordan. The updated literature supports this conclusion by showing that legal reform, policy design, regulatory quality, institutional coordination, and legislative responsiveness are all central to investment attractions. Accordingly, the present finding demonstrates that Jordan's investment climate is shaped not only by the existence of laws, but by the state institutions that continuously create, refine, and implement them.

5.4.8 Discussion hypotheses Eight

The acceptance of Hypothesis 8, as indicated in Tables (4.14) and (4.17), demonstrates a statistically significant impact of the adequacy of legislative policy on attracting foreign investments in the Hashemite Kingdom of Jordan. With a coefficient value of 0.354 and a p-value of 0.022, which is below the conventional significance threshold of 0.05, this result confirms that legislative policy is not a neutral backdrop to investment activity, but an active determinant of foreign investor confidence and decision-making. The finding suggests that the effectiveness of Jordan's investment climate depends not merely on the existence of laws, but on the adequacy, coherence, responsiveness, and practical suitability of the legislative policy framework within which those laws operate. In

this sense, the present result gives empirical support to the proposition that well-structured legislative policy reduces uncertainty, clarifies investor expectations, and strengthens Jordan's competitiveness as a destination for foreign capital.

This finding is strongly supported by Alwashah, El Zanati, and Al-Hawary (2025), who found that legal amendments related to investment in Jordan contribute positively to attracting foreign investors. Their study is particularly relevant because it implies that legislative adequacy is measured not only by legal form, but by the capacity of policy to evolve in response to economic needs and investor expectations. This aligns closely with the current result, as Hypothesis 8 specifically concerns the appropriateness and adequacy of legislative policy rather than the mere existence of statutory provisions. Likewise, Helalat (2022) emphasized that legal guarantees for foreign investors in Jordan are crucial for strengthening investment confidence. This supports the present finding because adequate legislative policy is precisely what makes such guarantees credible, accessible, and effective in practice.

The current result is also consistent with Arabyat and Daoud (2024), who demonstrated that tax policy plays a significant role in stimulating and encouraging investment in Jordan. Their work reinforces the idea that legislative policy matters because fiscal measures, incentives, and exemptions acquire practical investment value only when embedded in a broader framework of coherent and well-designed policy. In other words, the adequacy of legislative policy determines whether specific legal measures operate as isolated concessions or as part of a strategic and credible investment regime. This directly supports the present finding by showing that the attractiveness of Jordan's legislative framework depends on how well policy tools are integrated and aligned with investment objectives.

Further support for the significance of Hypothesis 8 may be found in Khalifa (2024), who examined the impact of disputes and mandatory law application on investment in Jordanian law. His study suggests that investment attractiveness is strongly affected by the way the legal system manages certainty, dispute risks, and obligatory rules. This is highly relevant to the concept of legislative policy adequacy, because an adequate legislative policy is one that not only invites investment, but also provides a balanced and predictable legal environment in which investors can assess obligations, protections, and

risks with confidence. Thus, the present finding may be interpreted as evidence that foreign investors respond positively when legislative policy is sufficiently coherent to reduce ambiguity and reinforce legal predictability.

The result is further reinforced by recent scholarship on regulatory quality, institutional coherence, and policy certainty. Alzarooni, Al-Shboul, and others (2025) found that regulatory quality significantly shapes investment-related outcomes, while Akbakay (2026) and Akpilic (2026) emphasized the importance of institutional quality and policy certainty in maintaining foreign investment attractiveness under changing conditions. These studies are directly relevant to Hypothesis 8 because they confirm that the adequacy of legislative policy cannot be separated from institutional effectiveness. A policy may look attractive on paper, but if it lacks consistency, predictability, or administrative support, its practical impact on investors becomes weaker. Therefore, the current finding supports the broader proposition that adequate legislative policy is one of the core mechanisms through which Jordan can reduce investor uncertainty and strengthen its investment position in a competitive international environment.

Recent Jordanian studies on corporate regulation and governance also complement this result. Albalawee and Fahoum (2024) highlighted the modernization of Jordanian corporate governance legislation, and Alhuniet, Amoush, and Ibrahim (2024) examined the legal consequences of foreign companies acquiring legal personality under Jordanian legislation. These studies imply that legislative adequacy is not confined to investment law in the narrow sense but extends to the wider legal ecosystem that governs how foreign investors enter, operate, and are protected within the Jordanian market. This supports the present result because it shows that legislative policy adequacy must be understood as a system-wide characteristic involving company law, governance standards, legal recognition, and institutional clarity. A foreign investor is more likely to respond positively when the overall legal framework is coherent and internally aligned, not merely when isolated incentives are available.

The finding also aligns with studies linking legislative policy to national development strategy and sectoral transformation. Al-Hammouri, Al Makhmari, and Al Kalbani (2025) emphasized the role of legislative and institutional frameworks in advancing sustainable development objectives, while Al-Oun, AlMaaitah, and Al-Azamat

(2025) stressed the importance of the interplay between regulatory frameworks and infrastructure in Jordan's sustainable energy transition. These studies suggest that legislative policy is most effective when it is designed not only to attract investment in general terms, but also to align with broader economic transformation goals and sector-specific priorities. This interpretation supports the acceptance of Hypothesis 8 because it shows that adequate legislative policy is not merely investment-friendly; it is strategically designed, development-oriented, and responsive to the structure of the national economy.

In addition, Jubran, Radaideh, and Al-Sawaie (2025) examined the impact of foreign direct investment on job opportunities in the Jordanian economy, offering an important policy perspective. Their study suggests that the value of investment-oriented legislative policy may also be assessed by how effectively it channels foreign capital toward broader economic outcomes. This is relevant to Hypothesis 8 because it implies that legislative adequacy should be judged not only by investor entry, but also by its ability to align investment attraction with national economic objectives. A legislative policy that is adequate in full sense is one that is not only legally coherent, but also economically purposeful and socially relevant.

The broader international literature in the updated reference list further supports this conclusion. Studies such as Aniodoh (2025), Ranjan (2025), and Rutherford (2025) indicate that modern investment attraction depends on a state's ability to formulate policies that balance investor protection, sovereign regulation, and long-term legal credibility. This is precisely what the concept of legislative policy adequacy captures. The present finding is therefore consistent with a broader contemporary trend in investment scholarship: countries attract foreign investment more effectively when their legislative policy is stable, intelligible, adaptive, and supported by credible institutions.

From a policy perspective, the acceptance of Hypothesis 8 carries an important implication. It suggests that Jordan should continue focusing on the adequacy of legislative policy as a strategic determinant of foreign investment attraction. This requires not only updating laws when needed, but also ensuring that legislative policy remains transparent, predictable, integrated, and aligned with national strategies such as the Economic Modernisation Vision (2022). It also requires coordination between legislative and executive bodies, ongoing stakeholder consultation, and responsiveness to international

best practices so that Jordan's policy framework remains competitive and institutionally credible.

In summary, the acceptance of Hypothesis 8 confirms that the adequacy of legislative policy has a statistically significant effect on attracting foreign investment in Jordan. The updated literature supports this conclusion by showing that investment attraction depends not only on legal rules, but on the coherence, responsiveness, and strategic quality of the policy framework behind them. Accordingly, the present finding demonstrates that Jordan's success in attracting foreign investment is closely tied to the extent to which its legislative policy is well conceived, effectively implemented, and aligned with both investor needs and national development priorities.

5.4.9 Discussion hypotheses Nine

The acceptance of Hypothesis 9, as indicated by the results in Tables (4.14) and (4.17), confirms that the existence of legal and judicial guarantees has a statistically significant impact on protecting and attracting foreign investments in the Hashemite Kingdom of Jordan. With a coefficient value of 0.221 and a p-value of 0.004, which is well below the significance threshold of 0.05, this finding provides strong empirical support for the proposition that investor confidence is closely tied to the credibility of the legal and judicial environment. The result indicates that foreign investors are more likely to enter and remain in a market when they perceive that their rights are protected by enforceable legal rules, accessible judicial remedies, and reliable dispute-settlement mechanisms. In the Jordanian context, this confirms that legal and judicial guarantees are not peripheral safeguards, but central components of the overall investment climate.

This finding is strongly supported by Helalat (2022), who emphasized that legal guarantees for the protection of foreign investment in Jordan are essential to investor security and confidence. His study is directly relevant to Hypothesis 9 because it focuses on the very issue tested in the current research: the role of legal protection in shaping the attractiveness of the host state to foreign investors. Helalat's analysis suggests that guarantees relating to protection, legal certainty, and enforceability are fundamental in reducing investor concerns about risk and arbitrary treatment. This closely aligns with the present finding, as the statistical significance of Hypothesis 9 confirms that the existence of legal and judicial guarantees meaningfully influences foreign investment attraction in

Jordan.

The current result is also consistent with Khalifa (2024), who examined the impact of disputes and the application of mandatory legal rules on investment in Jordanian law. His work reinforces the idea that foreign investors evaluate not only the availability of incentives or market opportunities, but also the legal consequences of disputes, the stability of contract enforcement, and the predictability of judicial outcomes. This is highly relevant to Hypothesis 9 because judicial guarantees are meaningful only when investors believe that the legal system is capable of resolving disputes in a fair, timely, and credible manner. Thus, the present finding supports the broader conclusion that legal guarantees attract investment not merely because they exist in statutory language, but because they shape expectations about real-world judicial protection and legal resources.

Further support for this result appears in the broader recent literature on investment law and investor protection. Aniodoh (2025) examined foreign direct investment and international law in relation to liberalization and economic sovereignty, while Ranjan (2025) discussed non-discrimination in international investment law, and Rutherford (2025) explored investor obligations and responsible foreign investment. Although these studies operate at a more international level, they collectively reinforce the same principle reflected in the present finding: foreign investors are strongly influenced by legal systems that provide protection, clarity, fairness, and predictable treatment. This supports the acceptance of Hypothesis 9 by placing the Jordanian case within a wider global pattern where countries with stronger legal and judicial safeguards tend to inspire greater investment confidence.

The significance of Hypothesis 9 is also compatible with the recent literature on regulatory quality and institutional certainty. Alzarooni, Al-Shboul, and others (2025) showed that regulatory quality significantly affects investment-related outcomes, while Akbakay (2026) and Akpilic (2026) highlighted the role of institutional quality and policy certainty in maintaining foreign investment under changing global conditions. These studies are relevant because legal and judicial guarantees do not operate in isolation from the broader institutional environment. A formal guarantee has practical value only when it is supported by a functioning legal system, credible institutions, and consistent administrative application. Therefore, the current finding may be interpreted as evidence

that foreign investors respond positively not only to textual guarantees, but also to the wider institutional reliability that gives those guarantees practical force.

The result is further reinforced by recent Jordanian scholarship on corporate law, governance, and the legal status of foreign entities. Albalawee and Fahoum (2024) highlighted the modernization of Jordanian corporate governance legislation, while Alhuniati, Amoush, and Ibrahim (2024) examined the consequences of foreign companies acquiring legal personality in Jordanian legislation. These studies suggest that foreign investors assess the legal environment through a broader lens that includes governance standards, institutional accountability, legal recognition, and operational protection. This supports the present finding because legal and judicial guarantees are not confined to courts alone; they are also embedded in company law, governance structures, and the overall legal architecture that defines how foreign companies are treated within the host state. Accordingly, Hypothesis 9 is supported not only by studies on direct investor protection, but also by literature showing that broader legal coherence strengthens confidence in the host market.

The current result also aligns with Alwashah, El Zanati, and Al-Hawary (2025), who found that legal amendments related to investment in Jordan positively affect the country's ability to attract foreign investors. Their findings imply that legal guarantees become more effective when they are reinforced by updated legislation and responsive policy reform. This is highly relevant here because legal and judicial protection cannot remain static in a changing international investment environment. The present finding therefore supports the idea that investor confidence depends not only on having guarantees in place, but on the state's willingness to refine those guarantees in response to evolving legal and economic realities.

In addition, the present finding is consistent with the policy logic of Jordan's recent legislative development as reflected in your study materials. The background of the study explicitly notes that the Investment Environment Law No. 21 of 2022 introduced provisions relating to equality between Jordanian and foreign investors, protection of investments, freedom to transfer funds, grievance procedures, and arbitration mechanisms. These features are directly relevant to Hypothesis 9 because they illustrate the institutionalization of legal guarantees within Jordan's current investment regime. The significance of the

result therefore confirms that these guarantees are not merely formal legislative statements; they are perceived as meaningful components of the investment environment.

From a policy perspective, the acceptance of Hypothesis 9 carries a clear implication. It suggests that Jordan should continue strengthening its legal and judicial framework by improving judicial efficiency, enhancing transparency, reducing procedural delays, and ensuring consistent enforcement of investor rights. It also indicates that dispute-settlement mechanisms, including arbitration and grievance review procedures, should remain central to future legislative reform. The result further implies that legal guarantees should be communicated more clearly to potential investors, since the visibility of protection is often as important as protection itself in shaping investor confidence. In this respect, strengthening the practical credibility of the judiciary and the enforceability of legal rights remains essential to maintaining Jordan's attractiveness as an investment destination.

In summary, the acceptance of Hypothesis 9 confirms that legal and judicial guarantees have a statistically significant role in protecting and attracting foreign investment in Jordan. The updated literature supports this conclusion by showing that investor confidence depends heavily on enforceable rights, legal certainty, dispute-resolution mechanisms, and institutional credibility. Accordingly, the present finding demonstrates that Jordan's investment attractiveness is strengthened when foreign investors perceive that the legal and judicial system is capable of protecting their interests in a transparent, fair, and predictable manner.

5.4.10 Discussion hypotheses Ten

The acceptance of Hypothesis 10, as indicated in Tables (4.14) and (4.17), confirms that legal challenges and obstacles have a statistically significant impact on foreign investors in the Hashemite Kingdom of Jordan. With a coefficient value of 0.319 and a p-value of 0.035, which is below the conventional significance threshold of 0.05, this result demonstrates that legal barriers are not marginal or incidental factors in investment decision-making. Rather, they constitute a meaningful variable affecting the attractiveness of Jordan's investment environment. This finding implies that foreign investors are sensitive not only to incentives, protections, and legislative opportunities, but also to the legal and procedural burdens that may increase uncertainty, delay operations, complicate

compliance, or weaken confidence in the host market. In this sense, the result confirms that obstacles within the legal and regulatory system can significantly influence the overall investment climate.

This finding is strongly supported by Khalifa (2024), who examined the impact of disputes and the application of mandatory legal rules on investment in Jordanian law. His study is directly relevant to Hypothesis 10 because it highlights how legal rigidity, dispute-related uncertainty, and the application of binding legal rules may affect the willingness of investors to enter or remain in a given investment environment. The current finding aligns closely with this line of reasoning, as it confirms that legal complications are not abstract doctrinal issues, but practical barriers that shape investor perceptions of risk, predictability, and operational feasibility. Thus, the acceptance of Hypothesis 10 is consistent with the view that legal challenges in Jordan can reduce the attractiveness of the investment environment unless they are addressed through effective reform and clearer legal administration.

The result is also consistent with Helalat (2022), who emphasized the importance of legal guarantees for the protection of foreign investment in Jordan. Although Helalat focused on protection rather than obstacles in the negative sense, the two issues are closely connected. Where legal guarantees are weak, unclear, or inconsistently enforced, those weaknesses themselves become legal obstacles. In this respect, the present finding may be interpreted as the negative mirror of Hypothesis 9: just as strong legal and judicial guarantees attract investment, unresolved legal ambiguities, procedural obstacles, and enforcement concerns can discourage it. Therefore, the significance of Hypothesis 10 reinforces the broader conclusion that investor confidence depends not only on the availability of formal legal protections, but also on the absence of burdensome or uncertain legal impediments.

Further support for this result appears in the recent literature on regulatory quality, policy uncertainty, and institutional performance. Alzarooni, Al-Shboul, and others (2025) found that regulatory quality has a significant effect on investment-related outcomes, while Akbakay (2026) emphasized the role of policy uncertainty in shaping foreign investment. Similarly, Akpilic (2026) showed that institutional quality and financial development moderate the relationship between uncertainty and foreign investment inflows. These

studies strongly support the present finding because they suggest that when investors face regulatory ambiguity, bureaucratic inconsistency, or institutional weakness, such conditions operate as real investment barriers even where formal laws appear favorable. The current result is therefore fully consistent with recent scholarship showing that legal and regulatory obstacles can materially weaken a country's investment appeal, especially in competitive and uncertain international markets.

The significance of Hypothesis 10 is also reinforced by Alwashah, El Zanati, and Al-Hawary (2025), who found that legal amendments related to investment in Jordan positively affect the country's ability to attract foreign investors. Their study indirectly supports the present result by implying that legislative amendment is necessary precisely because existing legal structures may contain deficiencies, ambiguities, or outdated features that hinder investment. If reform enhances attraction, it follows that unreformed legal challenges may function as obstacles. This interpretation aligns with the current finding by showing that legal reform is not merely a matter of modernization for its own sake, but a response to real barriers affecting investor decisions.

Recent Jordanian scholarship on corporate law and the legal status of foreign firms provides an additional layer of support. Alhunieti, Amoush, and Ibrahim (2024) examined the consequences of foreign companies acquiring legal personality under Jordanian legislation, while Albalawee and Fahoum (2024) highlighted issues relating to the modernization of Jordanian corporate governance legislation. These studies suggest that foreign investors are highly attentive to the legal conditions governing their recognition, governance, rights, and obligations within the host state. Where those conditions are unclear, rigid, or administratively difficult, they may become obstacles to investment even when the legal framework is formally open. This supports the current finding by showing that legal challenges may arise not only from investment law itself, but also from the broader company law and governance framework in which foreign investors operate.

The current result also aligns with broader recent studies connecting institutional governance and FDI performance. Arogundade et al. (2026) emphasized the impact of institutional governance on global FDI flows, while Ochi et al. (2025) showed that the relationship between foreign direct investment and development in Arab countries is influenced by institutions, financial development, and the knowledge economy. Likewise,

Nazzal, Sánchez Rebull, and Niñerola (2026) examined determinants of FDI in the MENA region and confirmed the importance of institutional and policy variables. These studies are relevant because they show that legal and procedural obstacles are part of a wider institutional context. The present finding therefore fits well within a broader regional and international pattern: countries that reduce legal ambiguity, improve institutional coherence, and simplify procedures are generally better positioned to attract and retain foreign investment.

From a policy perspective, the acceptance of Hypothesis 10 carries a clear and practical implication. It indicates that Jordan should not limit its investment strategy to offering incentives and protections alone; it must also work actively to identify and remove legal and procedural barriers that undermine investor confidence. This includes simplifying procedures, reducing bureaucratic delays, clarifying regulatory requirements, improving consistency in legal interpretation, and ensuring faster and more predictable dispute resolution. It also suggests the need for continuous review of existing legislation so that outdated provisions do not impose hidden costs on investors. In this context, the significance of Hypothesis 10 supports a reform agenda centered not only on attraction, but also on legal usability and institutional efficiency.

The result is particularly important because it complements the accepted hypotheses concerning legal guarantees, legislative policy, and governmental role. Together, these findings show a balanced picture: Jordan's legal framework contains meaningful strengths, but it also includes obstacles that continue to affect investor behavior. That is actually a more honest result than pretending the legal environment is flawless. The current finding therefore adds analytical depth to the study by showing that investment attraction in Jordan is shaped by both enabling legal factors and constraining legal barriers. Such a conclusion is academically stronger because it reflects the complexity of real investment environments rather than presenting a one-directional narrative.

In summary, the acceptance of Hypothesis 10 confirms that legal challenges and obstacles have a statistically significant effect on foreign investors in Jordan. Updated literature supports this result by showing that investment decisions are influenced not only by incentives, guarantees, and legislative opportunities, but also by procedural burdens, legal ambiguity, regulatory complexity, and institutional inconsistency. Accordingly, the

present finding demonstrates that improving Jordan's investment climate requires not only strengthening positive legal features, but also systematically removing the legal and procedural barriers that continue to constrain foreign investment.

5.5 RESEARCH IMPLICATIONS

5.5.1 Theoretical Implications

The research on the impact of the Companies and Investment Law in Jordan contributes significantly to the field of international business law, investment law, and economic policy. This study bridges a critical gap in the existing literature by providing an in-depth analysis of Jordanian legislation and its effectiveness in attracting foreign investments. The theoretical implications are profound as they challenge and extend current understanding in several ways. Firstly, this study offers a nuanced view of how specific legal frameworks in developing countries, like Jordan, influence foreign investment decisions. It highlights the complex interplay between legal provisions and economic incentives in shaping the investment climate. Theories on legal transplants and their effectiveness in different cultural and economic contexts are particularly relevant here. Additionally, this study contributes to theories of economic development, particularly those focusing on the role of legal infrastructure in shaping economic outcomes in emerging markets.

From a legal standpoint, this research adds to the theoretical discourse on the role of national legal systems in the global economic order. It examines how Jordan's legal amendments, guided by its economic development goals, align with, or diverge from prevailing international investment norms and practices. This has implications for theories of legal harmonization and the adaptability of domestic laws in the face of globalization. The study's findings suggest that while aligning with international standards, Jordan's legislative framework retains unique elements that cater to its socio-economic context, contributing to theories that emphasize the need for legal systems to reflect local realities. Economically, the study enriches theoretical understanding of the relationship between legal frameworks and economic development. By examining the impact of corporate and investment laws on social and economic justice and development, the research contributes to development economics theories, especially those concerning the role of institutional

quality in attracting foreign investment and promoting equitable economic growth.

Finally, this study extends theoretical implications beyond the confines of law and economics. It provides insights into the interdisciplinary nature of investment, encompassing legal, economic, and political dimensions. The study's emphasis on the role of the government in creating a conducive environment for foreign investors touches upon theories of governance and public policy. It underscores the importance of coherent and supportive governmental policies in conjunction with robust legal frameworks to attract foreign investment. The research also sets a foundation for future theoretical exploration, particularly in understanding how emerging economies can balance the need for foreign investment with the pursuit of social and economic justice. Future research could explore the long-term effects of such legal frameworks on sustainable economic growth and social welfare in Jordan and similar contexts, thus contributing to a more comprehensive theoretical understanding of the interplay between law, investment, and development.

5.5.2 Practical Implications

The practical implications of this research are substantial for policymakers, legal practitioners, and economic strategists in Jordan and similar emerging economies. The study's insights into the effectiveness of the Companies and Investment Law in attracting foreign investment have direct implications for Jordan's legislative and policy-making processes. For policymakers, the findings underscore the importance of creating a legal environment that is not only conducive to foreign investment but also aligned with international standards while being sensitive to local economic and social dynamics. This entails continuous assessment and reform of existing laws to ensure they remain competitive and attractive to international investors. For legal practitioners, the study highlights the need for a thorough understanding of the nuances of these laws to advise both foreign investors and domestic entities effectively. Additionally, the findings can inform the development of more targeted legal services and consultation practices that cater specifically to the needs of foreign investors in Jordan.

From an economic perspective, the study's findings provide valuable insights for both the Jordanian government and foreign investors. For the government, understanding the impact of its legal framework on attracting foreign investments is crucial for formulating strategies that can spur economic growth and development. This involves not

only offering incentives and benefits to foreign investors but also ensuring that the legal and judicial systems are robust and transparent, providing the necessary protection for these investments. The insights gained from this study can guide the government in fine-tuning its economic policies to create a more attractive and competitive investment environment. For foreign investors and multinational corporations, the research provides a clearer understanding of the Jordanian investment climate, enabling them to make more informed decisions about entering the Jordanian market. This includes considerations regarding legal compliance, risk assessment, and leveraging the incentives offered by the Jordanian government.

Finally, the implications of this research extend beyond Jordan, offering lessons for other countries in the region and emerging economies worldwide. The study serves as a case example of how legislative measures can impact foreign investment in a developing economy, providing a blueprint for other nations with similar economic aspirations. It emphasizes the importance of legal and regulatory frameworks in shaping economic outcomes and attracting international capital. For the global investment community, the research offers insights into the evolving investment landscapes in emerging markets, highlighting the opportunities and challenges in these regions. It underscores the need for a deep understanding of local legal and economic contexts when considering cross-border investments. Furthermore, this study can contribute to the broader dialogue on how emerging economies can effectively balance the need for foreign investment with the pursuit of sustainable development goals.

5.6 LIMITATIONS

The first limitation of this study pertains to its scope and methodological approach. While the research provides comprehensive insights into Jordan's legal framework and its impact on foreign investments, it primarily focuses on the legislation and its immediate effects, potentially overlooking other socio-economic and political factors that also play a significant role in investment decisions. Additionally, the study's reliance on specific sources of data, such as legal documents, government reports, and the performance of foreign companies in the Amman Stock Exchange, may not fully capture the nuanced experiences of individual investors or smaller enterprises. This could lead to a gap in understanding the broader spectrum of challenges and opportunities that foreign investors

face in Jordan. Furthermore, the methodological approach, while robust, might not account for the rapidly changing economic and legal landscapes, which can alter the relevance and applicability of the findings over time.

Another significant limitation is the generalizability of the study's findings. The research is context-specific, focusing on the Hashemite Kingdom of Jordan, which means that the conclusions drawn may not be directly applicable to other countries with different legal, economic, and cultural contexts. While the study offers valuable insights into how legal frameworks can impact foreign investment in Jordan, extrapolating these findings to other nations or regions requires caution and an understanding of the unique characteristics of those environments. Additionally, the study's time frame may limit the understanding of the long-term effects of the Companies and Investment Law on economic development and foreign investment trends. As the global economic and political climate evolves, the impact of these laws may change, necessitating continuous analysis and research.

Finally, the study faces limitations in terms of data availability and depth. While significant efforts were made to gather comprehensive information, there may be constraints in accessing all relevant data, especially proprietary or confidential information from private companies or specific details about government strategies and internal decision-making processes. This limitation could lead to an incomplete picture of the complex interplay between legal frameworks and foreign investment activities. Additionally, the nature of available data might limit the ability to conduct more granular analysis, such as sector-specific impacts or the experiences of different types of foreign investors (e.g., small vs. large scale, different industries). These data constraints highlight the need for more open and detailed data-sharing practices, which could enhance future research in this area. Moreover, while the study attempts to provide a comprehensive analysis, the dynamic nature of international investment and the legal environment means that ongoing changes may not be fully captured. This limitation underscores the importance of continuous monitoring and analysis to understand the evolving impact of the Companies and Investment Law in Jordan. Future research could address these limitations by incorporating longitudinal studies, exploring the impact across different sectors, and comparing them with other countries to provide a more holistic understanding of the subject. Such future studies could enrich the understanding of the relationship between

legal frameworks and foreign investment, offering more nuanced insights for policymakers, investors, and researchers.

5.7 RECOMMENDATIONS FOR FUTURE RESEARCH

Future research should build upon the findings of this study by adopting a more targeted and interdisciplinary approach that deepens understanding of how Jordan's legal reforms shape foreign investment outcomes. In particular, future studies should not only examine the legal framework in isolation but also explore how socio-economic, political, and institutional variables interact with law to influence investor behavior. For instance, an in-depth analysis of political stability, administrative efficiency, cultural dynamics, and regional geopolitics would help policymakers understand the broader ecosystem within which investment laws operate.

Furthermore, researchers are encouraged to employ mixed-methods designs, integrating quantitative data analysis with qualitative methods such as expert interviews, case studies, and investor surveys, to capture the practical realities faced by investors. This would provide policymakers and regulatory agencies with actionable insights into how legal amendments are perceived and implemented at the operational level, particularly across different investor categories (e.g., SMEs vs. multinational corporations, sector-based distinctions, or country of origin).

To assess the long-term effectiveness of the Companies and Investment Law, longitudinal research is highly recommended. Tracking changes in foreign direct investment inflows, investor satisfaction, and dispute resolution trends over multiple years will provide a more dynamic understanding of how the legal framework evolves in practice. Comparative studies with other MENA or emerging economies could also illuminate regional best practices, helping Jordanian decision-makers benchmark local reforms against successful international models.

In addition, future research should focus on the implementation gap between law and practice an area of critical importance to legislators and regulators. Studies assessing the enforcement capacity of investment-related institutions, regulatory coordination, and judicial efficiency would provide valuable evidence to guide reform priorities. Access to more detailed datasets such as sectoral FDI breakdowns, investor profiles, and regulatory performance indicators would further strengthen such analyses and inform evidence-based

policymaking.

Emerging areas of interest should also include digital transformation and sustainable investment. Researchers should examine how Jordan's legal system accommodates new investment models such as fintech, e-commerce, and renewable energy, and whether current laws are flexible enough to support these sectors. Moreover, future studies could analyze the integration of Environmental, Social, and Governance (ESG) principles into Jordan's investment policies, providing insights that would help policymakers align national legislation with global sustainability standards.

Future research should be strategically oriented toward supporting evidence-based policymaking, ensuring that academic outputs directly inform legislative reforms and institutional practices. By adopting more specific, data-driven, and policy-relevant research directions, scholars can contribute meaningfully to strengthening Jordan's investment climate and advancing its competitiveness in the global economy.

5.8 CONCLUSION

The comprehensive analysis conducted in this study has elucidated the multifaceted impact of the Companies and Investment Law on foreign investments in the Hashemite Kingdom of Jordan. The empirical evidence gathered through a meticulous review of legislation and its practical outcomes, particularly in the context of the Amman Stock Exchange, substantiates a clear correlation between the legislative framework and the attraction of foreign investments. The acceptance of Hypotheses H1, H2, H3, H5, H7, H8, H9, and H10 reinforces the pivotal role of legal and regulatory measures in shaping the investment landscape. The Companies and Investment Law, alongside the incentives and guarantees provided by the Jordanian government, emerge as fundamental drivers in securing foreign investments. These elements not only create a conducive environment for investment but also demonstrate Jordan's commitment to fostering a stable and attractive business climate.

The study's findings underscore the critical role of the Jordanian government in both formulating and implementing policies that encourage foreign investment. The legislative and executive branches have been instrumental in developing laws and regulations that align with global investment standards while ensuring they cater to the unique economic and social contexts of Jordan. The legal and judicial guarantees established by the

government provide a safety net for foreign investors, boosting their confidence in the Jordanian market. The study, however, also highlights certain areas where the impact of legislation is less pronounced. The rejection of Hypotheses H4 and H6 suggests that while Companies and Investment Law have been successful in attracting foreign investment, its role in achieving broader social and economic justice and development and significantly increasing the volume of foreign investments in the Amman Stock Exchange is less evident. This indicates a potential gap between the objectives of the law and its practical outcomes, especially in terms of its broader socio-economic impact.

Moreover, the study's findings offer a nuanced understanding of the challenges and opportunities in Jordan's legal framework regarding foreign investments. While the current legislative policies have been largely successful in creating an attractive investment environment, the need for continuous improvement and adaptation to changing global economic trends is evident. Future legislative reforms should focus on addressing the gaps identified in this study, particularly in terms of enhancing the socio-economic benefits of foreign investments and maximizing their contributions to the national stock exchange. This aligns with Jordan's vision of development and prosperity, which aims to elevate the country's competitive standing in the global market.

The practical implications of this study are significant for policymakers, legal scholars, and investors alike. For policymakers, the research provides a roadmap for further refining investment laws to align more closely with Jordan's economic development goals. It suggests that while current legislation has been effective in attracting foreign investment, there is room for improvement, especially in terms of leveraging these investments for wider social and economic development. The study also serves as a valuable reference for legal scholars examining the intersection of law, investment, and economic policy, offering a comprehensive analysis of how legislation can impact economic variables in a developing country context. For foreign investors, the findings offer insight into the legal landscape of Jordan, highlighting the incentives and protections available, as well as pointing out potential areas of challenge.

In conclusion, this study sheds light on the pivotal role that the Companies and Investment Law in Jordan plays in shaping the country's investment landscape. While the law has been successful in attracting foreign investments and creating a conducive

environment for business, there are areas where it can be further developed to enhance its contribution to broader economic and social development objectives.

Moving forward, it is essential for the government to engage in continuous evaluation and refinement of these legal frameworks. This involves not only addressing immediate challenges but also proactively anticipating future needs and trends in the global economy. By adapting the Companies and Investment Law to meet evolving demands, Jordan can position itself as an attractive destination for foreign investment while ensuring that such investments translate into tangible benefits for the nation as a whole. Moreover, the findings of this study underscore the importance of a holistic approach to economic policymaking. Beyond merely attracting foreign capital, it is crucial to prioritize investments that foster sustainable development, create employment opportunities, and promote inclusive growth. This requires collaboration between government agencies, private sector stakeholders, and civil society organizations to design and implement policies that maximize the positive impact of foreign investments on the economy and society. In essence, this study serves as a call to action for policymakers to seize the opportunity to leverage Companies and Investment Law as a catalyst for comprehensive economic development. By harnessing the potential of foreign investment in alignment with national development goals, Jordan can chart a path towards prosperity and resilience in an increasingly interconnected global economy.

REFERENCES

- Adam, I., & Amoah, J. O. (2025). The green frontier: How foreign direct investment and knowledge economy innovations drive effective carbon management. *Journal of the Knowledge Economy*. <https://doi.org/10.1007/s13132-025-02798-3>
- Akbakay, Z. (2026). Policy uncertainty and foreign direct investment: The moderating role of institutional quality. *Ekonomika*.
- Akpilic, F. (2026). Global uncertainty, institutional quality, financial development, and foreign direct investment inflows. *The Journal of International Trade & Economic Development*. <https://doi.org/10.1080/09638199.2025.2459911>
- Al Rawashdeh, R., & Campbell, G. (2024). Mineral policy in MENA countries: The case of Jordan. *Mineral Economics*. <https://doi.org/10.1007/s13563-024-00419-0>
- Al-Abdallat, A. (2017). The impact of the investment promotion law on foreign direct investment in Jordan. *Law Review*.
- Al-Akra, M., Ali, M. J., & Marashdeh, O. (2009). Development of accounting regulation in Jordan. *The International Journal of Accounting*, 44(2), 163–186. <https://doi.org/10.1016/j.intacc.2009.03.003>
- Alaze, A., Finne, E., Razum, O., & Miani, C. (2025). A questionnaire for a conceptual framework and interdisciplinary public health research using the Delphi technique—development and validation. *Frontiers in Public Health*, 13. <https://doi.org/10.3389/fpubh.2025.1436569>
- Al-Azzam, R., & Darwish, H. (2021). The impact of taxation policies on foreign direct investments in Jordan. *Journal of Middle Eastern Finance and Economics*.
- Albalawee, N., & Fahoum, A. A. (2024). A novel legal analysis of Jordanian corporate governance legislation in the age of artificial intelligence. *Cogent Business & Management*, 11(1), 2297465. <https://doi.org/10.1080/23311975.2023.2297465>
- Al-Bawab, A. A., & Alrawashdeh, H. A. (2015). The impact of the ownership structure on the performance of Jordanian banks. *Banking Studies Journal*.
- Alfaro, L., & Charlton, A. (2009). Intra-industry foreign direct investment. *American*

Economic Review, 99(5), 2096–2119. <https://doi.org/10.1257/aer.99.5.2096>

- Alfaro, L., Chanda, A., Kalemli-Ozcan, S., & Sayek, S. (2004). FDI and economic growth: The role of local financial markets. *Journal of International Economics*, 64(1), 89–112. [https://doi.org/10.1016/S0022-1996\(03\)00081-3](https://doi.org/10.1016/S0022-1996(03)00081-3)
- Alghizzawi, M., Megdadi, Y., & Abushareah, M. (2024). Transparency and disclosure issues in the corporate governance system in developing countries, Jordan case study: Previous studies. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 103–116). Springer. https://doi.org/10.1007/978-3-031-56015-6_7
- Alhababsah, S. (2022). Audit committees' oversight role in developing countries: Evidence from Jordan. *Corporate Governance: The International Journal of Business in Society*, 22(6), 1275–1297. <https://doi.org/10.1108/CG-05-2021-0196>
- Al-Hammouri, A., Al Makhmari, M., & Al Kalbani, H. (2025). Legislative and institutional framework's role in environmental protection and sustainable development goals in Jordan and Oman: A comparative study. In *Strategies for Environmental Risk Mitigation in the MENA Region*. Springer.
- Al-Hassan, M., & Yousef, N. (2019). Foreign investment in the Jordanian renewable energy sector. *Renewable Energy Studies*.
- Alhunieti, Y. F., Amoush, K. S. D., & Ibrahim, A. A. (2024). The consequences of foreign company's acquisition of legal personality in Jordanian legislation. In *Business Analytical Capabilities and Artificial Intelligence for Achieving Sustainable Development* (pp. 269–279). Springer. https://doi.org/10.1007/978-3-031-57242-5_22
- Ali, R., & Al-Rousan, R. (2018). The determinants of foreign direct investment in the Jordanian economy. *Economic Analysis Journal*.
- Al-Kasasbeh, M. (2016). Factors affecting the flow of foreign direct investment in the industrial sector in Jordan. *Industrial Economics Journal*.
- Al-Khaldi, L., & Abu Jaber, M. (2019). Foreign direct investment and its impact on the Jordanian banking sector. *Banking and Finance Journal*.

- Al-Khouri, R., & Al-Hassan, N. (2022). The impact of the legal and regulatory framework on the foreign direct investment climate in Jordan. *International Law Review*.
- Al-Malkawi, H. A., & Marashdeh, H. A. (2014). The impact of financial liberalization on foreign direct investment in Jordan. *Financial Markets Journal*.
- Al-Mashaqba, A., & Al-Qatawneh, L. (2017). The role of the legal environment in attracting foreign direct investment: The case of Jordan. *Legal Studies Journal*.
- Almazeedi, W. E. (2024). Hydrogen investment: Carving out a competitive position for the MENA region in the energy transition. In *The Clean Hydrogen Economy and Saudi Arabia*. Routledge. <https://doi.org/10.4324/9781003294290-9>
- Alnsour, J. (2026). Dynamic links between renewable and nonrenewable energy, natural resources, technological innovation, urbanization, and environmental sustainability in Jordan. *International Journal of Energy and Water Resources*. <https://doi.org/10.1007/s42108-025-00454-9>
- Alodat, A. Y., Salleh, Z., Hashim, H. A., & Sulong, F. (2022). Corporate governance and firm performance: Empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, 20(5), 866–891. <https://doi.org/10.1108/JFRA-12-2020-0361>
- Al-Omari, A., & Al-Omari, H. (2016). Legal environment and its impact on attracting foreign direct investment in Jordan. *Legal Reform Journal*.
- Al-Oun, S., AlMaaitah, M. F., & Al-Azamat, A. M. (2025). Sustainable energy transition in Jordan: The interplay of regulatory frameworks and infrastructure. *Energies*, 18(5), 1220.
- Al-Qaryouti, T., & Al-Rousan, M. (2021). The impact of regulatory reforms on foreign direct investment in Jordan's healthcare sector. *Jordanian Journal of Business Administration*.
- Al-Qudah, K., & Al-Shbiel, S. (2017). The role of the Jordan Investment Commission in attracting foreign direct investment. *Investment Management and Financial Innovations*.

- Al-Rawashdeh, I., & Al-Khawaldeh, S. (2019). The role of human capital in attracting foreign direct investment in Jordan. *Journal of Human Resources Management*.
- Al-Tarawneh, H. A., & Al-Azzam, A. F. (2014). Corporate governance and financial performance of Jordanian banks. *Corporate Governance Journal*.
- Alwashah, A., El Zanati, M. D., & Al-Hawary, S. I. S. (2025). The role of legal amendments related to investment in attracting foreign investors in Jordan. *Lex Localis: Journal of Local Self-Government*.
- Alzarooni, L., Al-Shboul, M., & others. (2025). The effect of regulatory quality on the nexus between foreign direct investment and bank stability in a dual banking system. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2025.2532119>
- AlZboon, M. I. (2025). External shocks and foreign investment in Jordan. In *Innovative Law and Business in the Digital Era* (pp. 65–79). Springer. https://doi.org/10.1007/978-981-96-5773-5_5
- Al-Zyadat, D. Y., & Al-Dmour, H. (2015). The role of investment incentives in attracting foreign direct investment in Jordan. *Investment Policy Review*
- Andrii, O., Liudmyla, H., Euvgenia, N., Ianina, T., & Liudmyla, S. (2025). Determinants of foreign direct investment in developing economies: Comprehensive analysis. *Economics*.
- Aniodoh, A. A. (2025). Foreign direct investment and international law: Liberalization and economic sovereignty.
- Arabyat, Y., & Daoud, H. E. (2024). The role of tax policy in stimulating and encouraging investment in Jordan. In *Advances in Emerging Financial Markets* (Chapter 13). CRC Press. <https://doi.org/10.1201/9781032667478-13>
- Armstrong, J. S., & Overton, T. S. (1977). Estimating nonresponse bias in mail surveys. *Journal of Marketing Research*, 14(3), 396–402.
- Arogundade, S., Mduduzi, B., Oyadeyi, O. O., et al. (2026). Institutional governance and global FDI convergence: Examining the impact of institutional quality on investment flows. *Journal of Public Affairs*. <https://doi.org/10.1002/pa.70116>

- Ashine, S. G. (2024). Assessment of foreign direct investment inflows into Ethiopia in light of peace and security challenges from 2018 to 2022. *Cogent Economics & Finance*, 12(1), Article 2308670. <https://doi.org/10.1080/23322039.2024.2308670>
- Atallah, A. (2024). The corporate governance role in protecting minority shareholders rights in public joint-stock companies (Comparative Study). <https://doi.org/10.57980/1hnE9JrriG8J>
- Ayele, Y., Belete, M., & te Velde, D. W. (2023). The AfCFTA Protocol on Investment: Issues and potential impacts. Overseas Development Institute.
- Bader, M., & Khataybeh, A. (2018). The effect of financial incentives on foreign direct investment in Jordan. *Journal of Financial Incentives*.
- Barakat, Y., & Al-Zu'bi, M. (2022). Infrastructure and its influence on foreign direct investment in Jordan. *Journal of Jordanian Economic Studies*.
- Bekhet, H. A., & Al-Smadi, R. W. (2015). Determining factors of Jordanian foreign direct investment inflows: Bounds testing approach. *Economic Modelling*, 46, 27–35. <https://doi.org/10.1016/j.econmod.2014.12.027>
- Berger, A., Busse, M., Nunnenkamp, P., & Roy, M. (2013). Do trade and investment agreements lead to more FDI? Accounting for key provisions inside the black box. *International Economics and Economic Policy*, 10(2), 247–275. <https://doi.org/10.2139/ssrn.1838660>
- Biermeyer, T. (2021). 20 Years of the SE Regulation—The Rise of a Specific Purpose Vehicle? *European Journal of Comparative Law and Governance*, 8(4), 363–387. <https://doi.org/10.1177/1023263X211053296>
- Bispo, S. Q. A., Martins, M. M. V., Silva, F. A., et al. (2026). Agricultural foreign investment governance in Argentina. In *Foreign Investment in Agriculture and Domestic Development*. Routledge. <https://doi.org/10.4324/9781003727002-2>
- Bollen, K. A. (1989). *Structural equations with latent variables*. Wiley.
- Borensztein, E., De Gregorio, J., & Lee, J.W. (1998). How does foreign direct investment affect economic growth? *Journal of International Economics*, 45(1), 115–

135. [https://doi.org/10.1016/S0022-1996\(97\)00033-0](https://doi.org/10.1016/S0022-1996(97)00033-0)

- Brik, A. B., Ayasrah, W., & Suleiman, M. (2025). Evaluation in Jordan. In *The Institutionalization of Evaluation in the MENA Region*.
- Byrne, B. M. (2001). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Lawrence Erlbaum Associates.
- Byrne, B. M. (2010). *Structural equation modeling with AMOS: Basic concepts, applications, and programming* (2nd ed.). Routledge.
- Cabellos, B., Gràcia, M., Delgado-Álvarez, A., et al. (2026). Assessment of oral communicative competence in higher education: Integrating closed-ended and open-ended questionnaires with generative AI tools. *Technology, Knowledge and Learning*. <https://doi.org/10.1007/s10758-026-09963-w>
- Carr, D. L., Markusen, J. R., & Maskus, K. E. (2001). Estimating the knowledge-capital model of the multinational enterprise. *American Economic Review*, 91(3), 693–708. <https://doi.org/10.1257/aer.91.3.693>
- Chen, X., Hu, J., Ali, M. A., Hussain, N. A., & Wang, D. (2026). Study on smart city in League of Arab States (LAS): Status and trend in 2024. *International Journal of Urban Sciences*. <https://doi.org/10.1080/12265934.2026.2654677>
- Collins, D. (2023). *An introduction to international investment law*. Cambridge University Press.
- Constantatos, A. F., Merika, A., & Merika, X. A. (2026). Revision of corporate governance codes in the UK: Implications for firm value and earnings management. *Corporate Governance: The International Journal of Business in Society*, 26(3), 746–765. <https://doi.org/10.1108/CG-01-2025-0058>
- Córdoba, P. G. (2025). The impact of Pillar Two rules on international investment treaties: An assessment of tax carve-out provisions. *Intertax*, 53(5).
- Cox, E. P., III. (1980). The optimal number of response alternatives for a scale: A review. *Journal of Marketing Research*, 17(4), 407–422.
- Csordás, A., & Al-Dalahmeh, M. (2024). Developing trust, developing economies:

The role of ESG disclosure in attracting foreign investment. *Finance: Theory and Practice*.

- De Mello, L. R. (1999). Foreign direct investment-led growth: Evidence from time series and panel data. *Oxford Economic Papers*, 51(1), 133–151. <https://doi.org/10.1093/oeq/51.1.133>
- Dias, R. W. M. (1985). *Jurisprudence* (5th ed.). London, UK: Butterworths.
- Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). Wiley.
- Dinh, L. Q., & Huy, N. Q. (2026). Foreign direct investment and sustainable development in the face of geopolitical, financial, and economic volatility. *Sustainable Development*. <https://doi.org/10.1002/sd.70711>
- Djankov, S., La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2006). The law and economics of self-dealing. *Journal of Financial Economics*, 88(3), 430–465. <https://doi.org/10.2139/ssrn.864645>
- Djankov, S., McLiesh, C., & Ramalho, R. M. (2006). Regulation and growth. *Economics Letters*, 92(3), 395–401. <https://doi.org/10.1016/j.econlet.2006.03.021>
- Drob, C., Plescau, I., & Zichil, V. (2025). Foreign direct investments and economic growth in Romania: A time-series approach for sustainable development. *Sustainability*, 18(1), 343. <https://doi.org/10.3390/su18010343>
- Dunning, J. H. (1980). Toward an eclectic theory of international production: Some empirical tests. *Journal of International Business Studies*, 11(1), 9–31. <https://doi.org/10.1057/palgrave.jibs.8490593>
- Elheddad, M. M. (2018). What determines FDI inflow to MENA countries? Empirical study on Gulf countries: Sectoral level analysis. *Research in International Business and Finance*, 44, 332–339. <https://doi.org/10.1016/j.ribaf.2017.07.101>
- Elliott, M. R., & Valliant, R. (2017). Inference for nonprobability samples. *Statistical Science*, 32(2), 249–264. <https://doi.org/10.1214/16-STS598>
- Fambeu, A. H., & Tsambou, A. D. (2025). Foreign direct investment and global value

chains in Sub-Saharan African firms. *International Journal of the Economics of Business*. <https://doi.org/10.1080/13571516.2025.2541114>

- Field, A. (2013). *Discovering statistics using IBM SPSS statistics* (4th ed.). Sage.
- Foroudi, P., Palazzo, M., & Stone, M. (2021). Mixed-methods research: Why and how to use it. In *Contemporary issues in marketing and consumer behaviour* (pp. xx–xx). Routledge. <https://doi.org/10.4324/9781315544892-7>
- George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference* (4th ed.). Allyn & Bacon.
- Gharaibeh, O. K., & Kharabsheh, B. (2022). Corruption, political instability and their impact on investment: An FMOLS approach. *Investment Management and Financial Innovations*.
- Ghasemy, M., Teeroovengadam, V., Becker, J. M., & Ringle, C. M. (2020). This fast car can move faster: A review of PLS-SEM application in higher education research. *Higher Education*, 80, 1121–1152. <https://doi.org/10.1007/s10734-020-00534-1>
- Giroud, A., Puck, J., & Puhr, H. (2026). World investment report 2025: International investment in the digital economy. *Journal of International Business Policy*. <https://doi.org/10.1057/s42214-025-00234-6>
- Globerman, S., & Shapiro, D. (2002). Global foreign direct investment flows: The role of governance infrastructure. *World Development*, 30(11), 1899–1919. [https://doi.org/10.1016/S0305-750X\(02\)00110-9](https://doi.org/10.1016/S0305-750X(02)00110-9)
- Goldstein, I., & Razin, A. (2006). An information-based tradeoff between foreign direct investment and foreign portfolio investment. *Journal of International Economics*, 70(1), 271–295. <https://doi.org/10.1016/j.jinteco.2005.12.002>
- Guinovart-Pedescoll, M., & Palau, R. (2025). Design and validation of a self-perception instrument on the use of scientific knowledge in teaching practice. *International Journal of Research Approaches in Educational Research*. <https://doi.org/10.1007/s44322-024-00026-5>
- Gujarati, D. N., & Porter, D. C. (2009). *Basic econometrics* (5th ed.). McGraw-Hill.

- Gurrea-Martínez, A. (2025). Strengthening the international competitiveness of capital markets: Global insights and local strategies. *Singapore Journal of Legal Studies*. <https://doi.org/10.2139/ssrn.5123458>
- Haddad, A. E., Sbeiti, W. M., & Qasim, A. (2017). Accounting legislation, corporate governance codes and disclosure in Jordan: A review. *International Journal of Law and Management*, 59(1), 147–176. <https://doi.org/10.1108/IJLMA-07-2016-0064>
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Pearson.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis* (8th ed.). Cengage.
- Hastie, T., Tibshirani, R., & Friedman, J. (2009). *The elements of statistical learning: Data mining, inference, and prediction* (2nd ed.). Springer.
- Helalat, M. A. (2022). The legal guarantees to protect foreign investment in Jordan. *Journal of International Trade Law and Policy*, 21(1), 1–20. <https://doi.org/10.1108/JITLP-01-2021-0003>
- Jafeel, A. Y., Chu, E. Y., & Abdalla, Y. A. (2024). Board effectiveness and corporate investment in emerging markets: Evidence from the Gulf Cooperation Council countries. *Journal of Accounting in Emerging Economies*, 14(5), 1041–1068. <https://doi.org/10.1108/JAEE-04-2023-0111>
- Javorcik, B. S. (2004). Does foreign direct investment increase the productivity of domestic firms? In search of spillovers through backward linkages. *American Economic Review*, 94(3), 605–627. <https://doi.org/10.1257/0002828041464605>
- Jordan Bar Association. (n.d.). Home page. <https://www.jba.org.jo/Default/Ar>
- Jordan Investment Commission. (2023). *Investment opportunities roadmap in Jordan*.
- Jordan. (1997). *Companies Law No. 22 of 1997, Art. 240*
- Jordan. (1997). *Companies Law No. 22 of 1997, Art. 241*

- Jordan. (1997). Companies Law No. 22 of 1997, Art. 242
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 243
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 244
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 245
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 246
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 247
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 248.
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 249
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 250
- Jordan. (1997). Companies Law No. 22 of 1997, Art. 251
- Jordan. (1997). Companies Law No. 22 of 1997.
- Jordan. (2014). Investment Law No. 30 of 2014.
- Jordan. (2018). Insolvency Law No. 21 of 2018.
- Jordan. (2022). Economic Modernisation Vision.
- Jordan. (2022). Investment Environment Law No. 21 of 2022.
- Jubran, A., Radaideh, M. K., & Al-Sawaie, K. M. (2025). The impact of foreign direct investment on job opportunities in the Jordanian economy. In *From Machine Learning to Sustainable Futures* (Springer). https://doi.org/10.1007/978-3-031-76011-2_120
- Khalifa, M. M. M. (2024). The impact of disputes and mandatory law application on investment in Jordanian law. In *Frontiers of Human Centricity in the Artificial Intelligence Era* (Chapter 87). Springer. https://doi.org/10.1007/978-3-031-73545-5_87
- Khoury, T. A., & Peng, M. W. (2011). Does institutional reform of intellectual property rights lead to more inbound FDI? Evidence from Latin America and the Caribbean. *Journal of World Business*, 46(3), 337–345. <https://doi.org/10.1016/j.jwb.2010.07.015>
- Khwaileh, K. M. (2026). The legislative legacy of WTO accession: A retrospective

analysis of Jordan's industrial transformation (2000–2025). *Frontiers in Political Science*. <https://doi.org/10.3389/fpos.2026.1790316>

- Kline, R. B. (1998). *Principles and practice of structural equation modeling*. Guilford Press.
- Koh, P. (2026). The shareholder's standing to challenge the exercise of directorial power: *Tianrui (International) Holding Company Ltd v China Shanshui Cement Group Ltd*. *The Modern Law Review*. <https://doi.org/10.1111/1468-2230.70004>
- Kontakos, P. (2026). Foreign direct investment in the Eastern Mediterranean: Sustainability and cultural alignment.
- Labban, H., & Roussel, J. (2025). The impact of corporate governance frameworks on Middle East and North Africa banks performance. *International Journal of Islamic and Middle Eastern Finance and Management*, 18(5), 1092–1115. <https://doi.org/10.1108/IMEFM-01-2025-0038>
- LaMothe, E. G., & Bobek, D. (2025). A modern guide to preliminary data analysis and data cleansing in behavioural accounting research. In *Routledge handbook of behavioural accounting research*. Routledge. <https://doi.org/10.4324/9781003541981-32>
- Lazar, J., Feng, J. H., & Hochheiser, H. (2010). *Research methods in human-computer interaction*. Wiley.
- Likert, R. (1932). A technique for the measurement of attitudes. *Archives of Psychology*, 140, 1–55.
- Little, R. J. A., & Rubin, D. B. (2019). *Statistical analysis with missing data* (3rd ed.). Wiley.
- Liu, K. (2024). China's direct investment in Indonesia (1990–2022). In *China and Southeast Asia: Economic Cooperation and Risks*. Springer. <https://doi.org/10.1007/978-981-97-7328-2>
- Luu, H. N., Nguyen, L. Q. T., & Nguyen, L. T. M. (2025). The impact of foreign direct investment on infrastructure development. *Journal of Economic Studies*, 52(7), 1226–

1244. <https://doi.org/10.1108/JES-03-2024-0154>

- Makableh, T. (2013). The Hashemite Kingdom of Jordan's legal, economic and fiscal empowerment through commerce and active trade agreements (master's thesis, Golden Gate University). <https://digitalcommons.law.ggu.edu/theses/56/>
- Malhotra, N. K. (2006). *Marketing research: An applied orientation* (5th ed.). Pearson Prentice Hall.
- Malkawi, B. H., Mihalakas, A. P., & Valiullina, I. (2025). A league of nations in transition—Regional integration for the Arab Spring nations. *Willamette Journal of International Law and Dispute Resolution*.
- Markusen, J. R., & Maskus, K. E. (2002). Discriminating among alternative theories of the multinational enterprise. *Review of International Economics*, 10(4), 694–707. <https://doi.org/10.1111/1467-9396.00359>
- Martins, M. V., Silva, F. A., Bispo, S. Q. A., et al. (2026). Agricultural foreign investment governance in Brazil. In *Foreign Investment and Domestic Development* (Chapter 1). Routledge. <https://doi.org/10.4324/9781003727002-1>
- Mbanaso, U. M., Abrahams, L., & Okafor, K. C. (2023). Research philosophy, design and methodology. In *Research techniques for the architecture, engineering and construction industry* (pp. xx–xx). Springer. https://doi.org/10.1007/978-3-031-30031-8_6
- Meghouar, H., & El Idrissi, S. (2026). Revisiting M&A performance in emerging market: The influence of new determinants (2008–2018). *Journal of Accounting in Emerging Economies*. <https://doi.org/10.1108/JAEE-07-2025-0349>
- Mellinger, C. D., & Hanson, T. A. (2021). Latent variables in translation and interpreting studies: Ontology, epistemology, and methodology. In *New directions in research epistemologies in cognitive translation and interpreting studies* (pp. xx–xx). Routledge. <https://doi.org/10.4324/9781003125792-7>
- Meyer, K. E. (2004). Perspectives on multinational enterprises in emerging economies. *Journal of International Business Studies*, 35(4), 259–276. <https://doi.org/10.1057/palgrave.jibs.8400084>

- Meyer, K. E., & Nguyen, H. V. (2005). Foreign investment strategies and sub-national institutions in emerging markets: Evidence from Vietnam. *Journal of Management Studies*, 42(1), 63–93. <https://doi.org/10.1111/j.1467-6486.2005.00489.x>
- Meyer, K. E., & Sinani, E. (2009). When and where does foreign direct investment generate positive spillovers? A meta-analysis. *Journal of International Business Studies*, 40(7), 1075–1094. <https://doi.org/10.1057/jibs.2008.111>
- Mostafa, S. A., & Ahmad, I. A. (2018). Recent developments in systematic sampling: A review. *Journal of Statistical Theory and Practice*, 12(2), 290–310. <https://doi.org/10.1080/15598608.2017.1353456>
- Moustafa, E., & El-Shal, A. (2025). Trade openness and economic growth in Africa. In *Trade and Investment in Africa*. Routledge. <https://doi.org/10.4324/9781003587323-14>
- Nazzal, A., Sánchez Rebull, M. V., & Niñerola, A. (2026). Determinants of foreign direct investment in the Middle East and North Africa region: Evidence from balanced panel data analysis. *SAGE Open*. <https://doi.org/10.1177/21582440261431268>
- Ning, W., Alessa, N., & Dawuni, A. (2026). Structural industrial transformation, foreign investment, and environmental sustainability in Africa: Pathways to sustainable development. *Sustainable Development*. <https://doi.org/10.1002/sd.70926>
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press. <https://doi.org/10.1017/CBO9780511808678>
- Oates, B. J. (2006). *Researching information systems and computing*. Sage.
- Obeidat, T., & Al-Majali, A. (2020). The effect of political stability on FDI inflows in Jordan. *Political Science Review*.
- Ochi, A., Nouaili, M., Saidi, Y., Haouas, A., & Saidi, A. (2025). Foreign direct investment and economic growth in Arab countries: Do institutions, financial development, and knowledge economy matter? *Journal of the Knowledge Economy*. <https://doi.org/10.1007/s13132-025-02794-7>
- OECD. (2023). *OECD benchmark definition of foreign direct investment (5th ed.)*.

OECD Publishing.

- Onounga, D. D. (2025). Effects of foreign direct investment on sustainable development in the ECCAS: Role of debt burden. *Discover Sustainability*. <https://doi.org/10.1007/s43621-025-02422-z>
- Osuala, E. C. (2005). *Introduction to research methodology* (3rd ed.). Africana-First Publishers.
- Pallant, J. (2007). *SPSS survival manual: A step by step guide to data analysis using SPSS for Windows* (3rd ed.). Open University Press.
- Pallant, J. (2013). *SPSS survival manual: A step by step guide to data analysis using IBM SPSS* (5th ed.). McGraw-Hill Education.
- Phi, V. T., Tran, K. H., Hoang, V. H., & Dong, V. C. (2024). The role of foreign direct investment in technology development in Vietnam. *Cogent Social Sciences*, 10(1). <https://doi.org/10.1080/23311886.2023.2300514>
- Pistor, K., Raiser, M., & Gelfer, S. (2000). Law and finance in transition economies. *Economics of Transition*, 8(2), 325–368. <https://doi.org/10.1111/1468-0351.00047>
- Qudah, B., & Haddad, F. (2020). The effectiveness of Jordan's special economic zones in attracting FDI. *Journal of Economic Zones Research*.
- Ramadan, A. (2026). Financing the future: Green investment, policy innovation and sustainable energy transitions in Egypt and Jordan. *Management & Sustainability: An Arab Review*.
- Ranjan, P. (2025). Non-discrimination in international investment law. In *Routledge Handbook on International Economic Law*. <https://doi.org/10.4324/9781003399711-26>
- Razali, N. M., & Wah, Y. B. (2011). Power comparisons of Shapiro-Wilk, Kolmogorov-Smirnov, Lilliefors and Anderson-Darling tests. *Journal of Statistical Modeling and Analytics*, 2(1), 21–33.
- Rebeiz, K. S. (2024). The evolutionary journey of the American corporation and its governance over two centuries. *Corporate Governance: The International Journal of*

Business in Society, 24(4), 743–760. <https://doi.org/10.1108/CG-06-2023-0249>

- Risso, G., & Dall’Agnola, G. (2025). Investment structuring and re-structuring: The Italian perspective. *Arbitration International*, 41(2), 377–400. <https://doi.org/10.1093/arbint/aiae049>
- Rodríguez-Chávez, C. A., Oré-Evanán, L. M., et al. (2024). Foreign direct investment and sustainable development in Asia: Bibliometric analysis and systematic literature review. *Sustainability*, 16(23), 10718. <https://doi.org/10.3390/su162310718>
- Rutherford, A. (2025). Investor obligations in international investment agreements: Exploring responsible foreign investment. In *Corporate Responsibility and Accountability in Business Law*. Routledge. <https://doi.org/10.4324/9781003683636-10>
- Schumacker, R. E., & Lomax, R. G. (1996). *A beginner’s guide to structural equation modeling*. Lawrence Erlbaum Associates.
- Shahwan, Y. (2025). Corporate social responsibility, corporate governance, and asymmetric information: Evidence from Jordan. *Business Strategy & Development*. <https://doi.org/10.1002/bsd2.70138>
- Shawaqfeh, S., & Al-Tarawneh, A. (2020). The role of free trade agreements in attracting FDI to Jordan. *International Trade Journal*.
- Singh, R. K., Neuert, C. E., & Raykov, T. (2024). Assessing conceptual comparability of single-item survey instruments with a mixed-methods approach. *Quality & Quantity*. <https://doi.org/10.1007/s11135-023-01801-w>
- Stevens, J. P. (2002). *Applied multivariate statistics for the social sciences* (4th ed.). Lawrence Erlbaum Associates.
- Stratton, S. J. (2023). Population sampling: Probability and non-probability techniques. *Prehospital and Disaster Medicine*, 38(1), 1–2.
- Subramaniam, P., Al Amri, R., et al. (2025). The role of higher education institutions and key mediators in developing future skills: A case study on renewable energy industry. *Industry and Higher Education*. <https://doi.org/10.1177/09504222261430215>

- Tabachnick, B. G., & Fidell, L. S. (2007). Using multivariate statistics (5th ed.). Pearson.
- Talbot, V. (2024). Economic cooperation: A driver of stability in the MENA region? ISPI Report.
- Taufique, K. M. R., Sabbir, M. M., & others. (2026). A guide to key decision criteria for Likert-scale use in survey research. *Global Business and Organizational Excellence*. <https://doi.org/10.1002/joe.70032>
- Tawakkol, L. (2025). De/stabilizing capitalism in the Middle East? Infrastructure, uneven development and the humanitarian-development nexus in Jordan and Lebanon. *Review of International Political Economy*. <https://doi.org/10.1080/09692290.2025.2604839>
- Toumeh, A. A., & Ghazalat, A. (2026). Mandatory governance and risk management committees and firm performance: Evidence from Jordan's non-financial sector. *Cogent Business & Management*. <https://doi.org/10.1080/23311975.2026.2618306>
- Tovias, A., & Al-Khoury, R. (2004). An evaluation of the potential economic effects of a bilateral free trade area agreement between Israel and Jordan in the context of the Euro-Mediterranean Partnership. *Israel Affairs*, 10(3). <https://doi.org/10.1080/1353712042000242617>
- Utouh, H. M. L., & Kitole, F. A. (2024). Forecasting effects of foreign direct investment on industrialization towards realization of the Tanzania development vision 2025. *Cogent Economics & Finance*, 12(1). <https://doi.org/10.1080/23322039.2024.2376947>
- Wooldridge, J. M. (2013). *Introductory econometrics: A modern approach* (5th ed.). South-Western Cengage Learning.
- World Bank. (2022). *Jordan*. World Bank Group.
- Yadav, S. S., Gupta, S., & Choudhary, A. K. (2025). *Scientific research methodology: Principles, tools, and techniques*. CRC Press. <https://doi.org/10.1201/9781003664871>
- Yahchouchi, G., & Rotabi, S. (2025). Government initiatives and policies promoting

AI adoption in the MENA. In *Artificial Intelligence for Growth and Business: A Transformative Force*. Springer.

- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business research methods* (9th ed.). Cengage Learning.
- Zoubi, M. A. (2023). Political and institutional roots of Jordan's economic underperformance.
- Zureiqat, H., & Al-Sharif, Z. (2021). Factors influencing the decision of foreign investors in Jordan's information and communications technology sector. *Information Technology Journal*

APPENDIX: A



UNIVERSITY OF DEBRECEN

FACULTY OF LAW

**THE IMPACT OF THE COMPANIES AND INVESTMENT LAW ON
ATTRACTING FOREIGN INVESTMENTS IN THE HASHEMITE KINGDOM
OF JORDAN FROM A LEGAL POINT OF VIEW**

QUESTIONEER

Dears,,,,

Welcome to our survey. We are conducting research on " **The Impact of The Companies And Investment Law On Attracting Foreign Investments In The Hashemite Kingdom Of Jordan From A Legal Point Of View**". Your responses will help us better understand the investment climate in Jordan. All responses are confidential and will be used strictly for research purposes.

Many Thanks

Researcher: Alaa Kopti

Please answer all items as indicated by ticking (✓) the option that applies and fits your current situation:

Part 1: legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan						
#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am aware of the basic legislation and laws in Jordan related to foreign investment.					
2	The legislative information available for foreign investors in Jordan is easy to understand.					
3	Jordan's investment laws have significantly influenced my decision to invest in the country.					
4	Compared to other countries, I find the investment laws in Jordan more conducive for foreign investment.					
5	I believe that the current legislative framework in Jordan adequately protects the interests of foreign investors.					
6	The government of Jordan actively addresses the concerns and grievances of foreign investors.					
7	The investment laws in Jordan need improvement for attracting more foreign investment.					
8	I would recommend other foreign investors to invest in Jordan, considering its legislative environment.					

Part 2: the impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I have a clear understanding of Jordan's corporate and investment laws.					
2	The information about these laws is easily accessible and comprehensive.					
3	The corporate and investment laws of Jordan have been a major factor in my decision to invest in the country.					
4	Compared to other countries, I find Jordan's corporate and investment laws more favorable for foreign investment.					
5	Jordan's corporate and investment laws provide adequate protection to foreign investors.					
6	The enforcement of these laws is fair and impartial.					
7	There is a need for improvement in Jordan's corporate and investment laws to attract more foreign investment.					
8	Given the current legislative environment, I would consider further investments in Jordan.					

Part 3: the incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am aware of the incentives and advantages provided by the Jordanian Government under the Companies and Investment Law.					
2	Information about these incentives and advantages is readily available and understandable.					
3	The incentives and advantages provided by the Jordanian Government have significantly influenced my decision to invest in Jordan.					
4	Compared to other countries, I find the incentives offered by Jordan to be more attractive.					
5	The Jordanian Government effectively implements the incentives and advantages as per the Companies and Investment Law.					
6	The application of these incentives and advantages is fair and impartial.					
7	Improvements in the current incentives could attract more foreign investment.					
8	I would recommend other foreign investors to invest in Jordan, considering the incentives and advantages offered.					

Part 4: the impact of the laws of companies and investment in achieving justice and social and economic development

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am aware of the laws of companies and investment in Jordan.					
2	These laws contribute to achieving justice for all stakeholders.					
3	The laws of companies and investment have positively impacted social development in Jordan.					
4	The laws ensure that companies contribute positively to the community.					
5	The laws of companies and investment have promoted economic growth in Jordan.					
6	These laws foster a favorable environment for local and foreign investments.					
7	There is room for improvement in the laws of companies and investment to further advance justice and socio-economic development.					
8	The current laws of companies and investment will continue to drive economic and social development in the future.					

Part 5: the role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The Jordanian Government has implemented effective strategies to attract foreign investment.					
2	The government provides adequate information and guidance for potential foreign investors.					
3	The Jordanian Government provides substantial support to foreign investors once they start operating in Jordan.					
4	The government promptly addresses the concerns and challenges faced by foreign investors.					
5	The government provides incentives that encourage foreign investment.					
6	The policies of the government create a conducive environment for foreign investment.					
7	The government should improve its strategies to attract more foreign investment.					
8	Considering the role of the government, I would recommend other foreign investors to invest in Jordan.					

Part 6: how the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am aware of the Companies and Investment Laws in Jordan.					
2	These laws provide a clear framework for foreign investment in the Amman Stock Exchange.					
3	The Companies and Investment Laws have influenced my decision to invest in the Amman Stock Exchange.					
4	These laws make investing in the Amman Stock Exchange more attractive compared to other investment options.					
5	The Companies and Investment Laws provide adequate protection to foreign investors in the Amman Stock Exchange.					
6	The enforcement of these laws is fair and impartial.					
7	Improvements in the current laws could lead to an increase in foreign investment in the Amman Stock Exchange.					
8	Given the current legislative environment, I would consider further investments in the Amman Stock Exchange.					

Part 7: the role played by legislative and executive bodies in developing legislation that attracts foreign investments

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am well-informed about the legislation related to foreign investments in Jordan.					
2	The legislative and executive bodies provide adequate information about this legislation.					
3	The legislative bodies play a significant role in developing investment-friendly laws.					
4	The laws developed by the legislative bodies are fair and impartial to foreign investors.					
5	The executive bodies effectively implement and enforce the laws related to foreign investments.					
6	The executive bodies provide adequate support to foreign investors for understanding and adhering to these laws.					
7	There is a need for improvement in the role of legislative and executive bodies to attract more foreign investment.					
8	Considering the role of legislative and executive bodies, I would consider making further investments in Jordan.					

Part 8: the appropriateness of legislative policy in attracting foreign investments						
#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am aware of the legislative policies in place for foreign investments in Jordan.					
2	The legislative policies are clear and easy to understand.					
3	The legislative policies in Jordan are appropriate for attracting foreign investments.					
4	These legislative policies are competitive compared to those in other countries.					
5	The legislative policies have significantly influenced my decision to invest in Jordan.					
6	These policies provide adequate protection and support for foreign investors.					
7	There is room for improvement in the legislative policies to make them more attractive to foreign investors.					
8	Considering the current legislative policies, I would recommend other foreign investors to invest in Jordan.					

Part 9: the legal and judicial guarantees to protect and attract foreign investments

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am aware of the legal and judicial guarantees in place to protect foreign investments in Jordan.					
2	The existing legal and judicial guarantees provide a clear framework for foreign investments.					
3	The legal and judicial guarantees in place are adequate to protect foreign investments.					
4	The current guarantees provide fair and impartial treatment to foreign investors.					
5	The legal and judicial guarantees have significantly influenced my decision to invest in Jordan.					
6	These guarantees make investing in Jordan more attractive compared to other countries.					
7	There is room for improvement in the legal and judicial guarantees to attract more foreign investment.					
8	Given the current legal and judicial guarantees, I would recommend other foreign investors to consider investing in Jordan.					

Part 10: the legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan

#	ITEM	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	I am well-informed about the legal environment for foreign investments in Jordan.					
2	The legal procedures for foreign investment in Jordan are clear and easy to understand.					
3	I have faced significant legal challenges while investing in Jordan.					
4	The legal challenges in Jordan are more pronounced than in other countries where I invest.					
5	There are certain legal obstacles that discourage foreign investment in Jordan.					
6	The Jordanian government effectively addresses these legal obstacles.					
7	There is a need for improvement in the legal environment to attract more foreign investment.					
8	Despite the legal challenges, I would consider making further investments in Jordan.					

APPENDIX: B

Profile	Category	Frequency	Percent
Gender	Male	168	62%
	Female	105	38%
	Total	273	100%
Marital status	Single	61	22%
	Married	212	78%
	Total	273	100%
Age group	22-27	54	20%
	28-33	92	34%
	34-39	74	27%
	More than 40	53	19%
	Total	273	100%
Level of Education	Diploma	94	34%
	Bachelor's degree	104	38%
	Postgraduate	75	27%
	Total	273	100%
Years of experience	Less than 2 years	59	22%
	2-5 years	75	27%
	6-10 years	90	33%
	More than 10 years	49	18%
	Total	273	100%

Questionnaire administered	N	Percentage
Uncompleted	27	9%
Number of responses	273	91%
Response rate (273/300)	273	91%

No.	Questionnaire ID	Number of Missing Item(s)
1	13	5
2	24	8
3	84	4
4	167	2
5	255	4
6	259	7

Demographic Profile	Category	Frequency	Percent
Gender	Male	167	63%
	Female	99	37%
	Total	266	100%
Marital status	Single	58	22%
	Married	208	78%
	Total	266	100%
Age group	22-27	53	20%
	28-33	89	33%
	34-39	73	27%
	More than 40	51	19%
	Total	266	100%
Level of Education	Diploma	91	34%
	Bachelor's degree	101	38%
	Postgraduate	74	28%
	Total	266	100%
Years of experience	Less than 2 years	57	21%
	2-5 years	73	27%
	6-10 years	89	33%
	More than 10 years	47	18%
	Total	266	100%

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error

Gender	266	1.631	0.254	0.465	0.149	-1.587	0.298
Marital status	266	2.347	0.698	0.411	0.149	-0.865	0.298
Age group	266	2.365	0.768	0.398	0.149	٠,٣١٤	0.298
Education	266	4.865	-1.365	0.389	0.149	٢,٠٥٤	0.298
Experience	266	4.032	1.568	0.158	0.149	-1.178	0.298

#	Construct	Items	Statistics	D.F	Sig
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	1. I am aware of the basic legislation and laws in Jordan related to foreign investment . 2. The legislative information available for foreign investors in Jordan is easy to understand . 3. Jordan's investment laws have significantly influenced the decision to invest in the country . 4. Compared to other countries, I find the investment laws in Jordan more conducive to foreign investment . 5. I believe that the current legislative framework in Jordan adequately protects the interests of foreign investors . 6. The government of Jordan actively addresses the concerns and grievances of foreign investors . 7. The investment laws in Jordan need improvement for attracting more foreign investment . 8. I would recommend foreign investors invest in Jordan, considering its legislative environment.	0.822	247	.070
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	1. The information about these laws is easily accessible and comprehensive . 2. The corporate and investment laws of Jordan have been a major factor in the decision to invest in the country . 3. Compared to other countries, I find Jordan's corporate and investment laws more favorable for foreign investment . 4. Jordan's corporate and investment laws provide adequate protection to foreign investors .	0.860	247	.081

#	Construct	Items	Statistics	D.F	Sig
		5. The enforcement of these laws is fair and impartial . 6. There is a need for improvement in Jordan's corporate and investment laws to attract more foreign investment . 7. Given the current legislative environment, investors would consider further investments in Jordan.			
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	1. I am aware of the incentives and advantages provided by the Jordanian Government under the Companies and Investment Law . 2. Information about these incentives and advantages is readily available and understandable . 3. The incentives and advantages provided by the Jordanian Government have significantly influenced the decision to invest investors in Jordan . 4. Compared to other countries, I find the incentives offered by Jordan to be more attractive . 5. The Jordanian Government effectively implements the incentives and advantages as per the Companies and Investment Law . 6. The application of these incentives and advantages is fair and impartial . 7. Improvements in the current incentives could attract more foreign investment . 8. I would recommend foreign investors invest in Jordan, considering the incentives and advantages offered.	0.801	247	.055
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	1. These laws contribute to achieving justice for all stakeholders . 2. The laws of companies and investments have positively impacted social development in Jordan . 3. The laws ensure that companies contribute positively to the community . 4. The laws of companies and investment have promoted economic growth in Jordan . 5. These laws foster a favorable environment for local and foreign investments .	0.836	247	.036

#	Construct	Items	Statistics	D.F	Sig
		6. There is room for improvement in the laws of companies and investment to further advance justice and socio-economic development . 7. The current laws of companies and investment will continue to drive economic and social development in the future.			
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	1. The Jordanian Government has implemented effective strategies to attract foreign investment . 2. The government provides adequate information and guidance for potential foreign investors . 3. The Jordanian Government provides substantial support to foreign investors once they start operating in Jordan . 4. The government promptly addresses the concerns and challenges faced by foreign investors . 5. The government provides incentives that encourage foreign investment . 6. The policies of the government create a conducive environment for foreign investment . 7. The government should improve its strategies to attract more foreign investment . 8. Considering the role of the government, I would recommend foreign investors to invest in Jordan.	0.893	247	.065
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	1. These laws provide a clear framework for foreign investment in the Amman Stock Exchange . 2. The Companies and Investment Laws have influenced my decision to invest in the Amman Stock Exchange . 3. These laws make investing in the Amman Stock Exchange more attractive compared to other investment options . 4. Companies and Investment Laws provide adequate protection for foreign investors in the Amman Stock Exchange . 5. Improvements in the current laws could lead to an increase in foreign investment in the Amman Stock Exchange .	0.819	247	.080

#	Construct	Items	Statistics	D.F	Sig
		6. Given the current legislative environment, investors would consider further investments in the Amman Stock Exchange.			
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	1. The legislative and executive bodies provide adequate information about this legislation . 2. The legislative bodies play a significant role in developing investment-friendly laws . 3. The laws developed by the legislative bodies are fair and impartial to foreign investors . 4. The executive bodies effectively implement and enforce the laws related to foreign investments . 5. The executive bodies provide adequate support to foreign investors for understanding and adhering to these laws . 6. There is a need for improvement in the role of legislative and executive bodies to attract more foreign investment . 7. Considering the role of legislative and executive bodies, investors would consider making further investments in Jordan.	0.901	247	.089
8	The appropriateness of legislative policy in attracting foreign investments.	1. I am aware of the legislative policies in place for foreign investments in Jordan . 2. The legislative policies are clear and easy to understand . 3. The legislative policies in Jordan are appropriate for attracting foreign investments . 4. These legislative policies are competitive compared to those in other countries . 5. The legislative policies have significantly influenced investors' decision to invest in Jordan . 6. These policies provide adequate protection and support for foreign investors . 7. There is room for improvement in the legislative policies to make them more attractive to foreign investors . 8. Considering the current legislative policies, I would recommend foreign investors invest in Jordan.	0.847	247	.078
9	The legal and judicial guarantees protect and	1. I am aware of the legal and judicial guarantees in place to protect foreign investments in Jordan .	0.833	247	.071

#	Construct	Items	Statistics	D.F	Sig
	attract foreign investments.	2. The existing legal and judicial guarantees provide a clear framework for foreign investments . 3. The legal and judicial guarantees in place are adequate to protect foreign investments . 4. The current guarantees provide fair and impartial treatment for foreign investors . 5. The legal and judicial guarantees have significantly influenced investors' decision to invest in Jordan . 6. These guarantees make investing in Jordan more attractive compared to other countries . 7. There is room for improvement in the legal and judicial guarantees to attract more foreign investment . 8. Given the current legal and judicial guarantees, I would recommend foreign investors consider investing in Jordan.			
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	1. I am well-informed about the legal environment for foreign investments in Jordan . 2. The legal procedures for foreign investment in Jordan are clear and easy to understand . 3. I have faced significant legal challenges while investing in Jordan . 4. The legal challenges in Jordan are more pronounced than in other countries. 5. Certain legal obstacles discourage foreign investment in Jordan . 6. The Jordanian government effectively addresses these legal obstacles . 7. There is a need for improvement in the legal environment to attract more foreign investment . 8. Despite the legal challenges, investors would consider making further investments in Jordan.	0.856	247	.066

Const.	Items	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	1. I am aware of the basic legislation and laws in Jordan related to foreign investment.	-0.640	0.125	-0.032	0.280
	2. The legislative information available for foreign investors in Jordan is easy to understand.	-0.702	0.125	-0.157	0.280
	3. Jordan's investment laws have significantly influenced the decision to invest in the country.	-0.566	0.125	-0.449	0.280
	4. Compared to other countries, I find the investment laws in Jordan more conducive to foreign investment.	-0.274	0.125	-0.859	0.280
	5. I believe that the current legislative framework in Jordan adequately protects the interests of foreign investors.	-0.576	0.125	-0.004	0.280
	6. The government of Jordan actively addresses the concerns and grievances of foreign investors.	-0.284	0.125	-0.745	0.280
	7. The investment laws in Jordan need improvement for attracting more foreign investment.	-1.278	0.125	1.327	0.280
	8. I would recommend foreign investors invest in Jordan, considering its legislative environment.	-0.426	0.125	-0.436	0.280
The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	1. The information about these laws is easily accessible and comprehensive.	-0.627	0.125	-0.372	0.280
	2. The corporate and investment laws of Jordan have been a major factor in the decision to invest in the country.	-0.806	0.125	-0.100	0.280
	3. Compared to other countries, I find Jordan's corporate and investment laws more favorable for foreign investment.	-0.364	0.125	-0.714	0.280
	4. Jordan's corporate and investment laws provide adequate protection to foreign investors.	-0.490	0.125	-0.265	0.280
	5. The enforcement of these laws is fair and impartial.	-1.166	0.125	1.520	0.280

Const.	Items	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
	6. There is a need for improvement in Jordan's corporate and investment laws to attract more foreign investment.	-0.822	0.125	0.488	0.280
	7. Given the current legislative environment, investors would consider further investments in Jordan.	-0.842	0.125	0.930	0.280
The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	1. I am aware of the incentives and advantages provided by the Jordanian Government under the Companies and Investment Law.	-0.653	0.125	0.217	0.280
	2. Information about these incentives and advantages is readily available and understandable.	-1.490	0.125	2.073	0.280
	3. The incentives and advantages provided by the Jordanian Government have significantly influenced the decision to invest investors in Jordan.	-0.903	0.125	0.069	0.280
	4. Compared to other countries, I find the incentives offered by Jordan to be more attractive.	-0.443	0.125	-0.639	0.280
	5. The Jordanian Government effectively implements the incentives and advantages as per the Companies and Investment Law.	-0.534	0.125	-0.307	0.280
	6. The application of these incentives and advantages is fair and impartial.	-0.522	0.125	-0.423	0.280
	7. Improvements in the current incentives could attract more foreign investment.	-0.983	0.125	0.755	0.280
	8. I would recommend foreign investors invest in Jordan, considering the incentives and advantages offered.	-1.136	0.125	1.426	0.280
The impact of the laws of companies and investment in achieving justice and social and	1. These laws contribute to achieving justice for all stakeholders.	-1.155	0.125	1.884	0.280
	2. The laws of companies and investments have positively	-0.802	0.125	1.206	0.280

Const.	Items	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
economic development.	impacted social development in Jordan.				
	3. The laws ensure that companies contribute positively to the community.	-0.762	0.125	0.540	0.280
	4. The laws of companies and investment have promoted economic growth in Jordan.	-1.431	0.125	2.370	0.280
	5. These laws foster a favorable environment for local and foreign investments.	-0.510	0.125	-0.303	0.280
	6. There is room for improvement in the laws of companies and investment to further advance justice and socio-economic development.	-0.606	0.125	-0.448	0.280
	7. The current laws of companies and investment will continue to drive economic and social development in the future.	-0.942	0.125	0.377	0.280
The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	1. The Jordanian Government has implemented effective strategies to attract foreign investment.	-0.964	0.125	0.216	0.280
	2. The government provides adequate information and guidance for potential foreign investors.	-1.068	0.125	1.143	0.280
	3. The Jordanian Government provides substantial support to foreign investors once they start operating in Jordan.	-0.873	0.125	0.497	0.280
	4. The government promptly addresses the concerns and challenges faced by foreign investors.	-1.233	0.125	1.762	0.280
	5. The government provides incentives that encourage foreign investment.	-0.848	0.125	0.950	0.280
	6. The policies of the government create a conducive environment for foreign investment.	-0.639	0.125	0.237	0.280
	7. The government should improve its strategies to attract more foreign investment.	-1.476	0.125	2.093	0.280

Const.	Items	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
	8. Considering the role of the government, I would recommend foreign investors to invest in Jordan.	-0.735	0.125	0.035	0.280
How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	1. These laws provide a clear framework for foreign investment in the Amman Stock Exchange.	-1.184	0.125	1.546	0.280
	2. Companies and Investment Laws have influenced my decision to invest in the Amman Stock Exchange.	-0.840	0.125	0.514	0.280
	3. These laws make investing in the Amman Stock Exchange more attractive compared to other investment options.	-0.860	0.125	0.956	0.280
	4. Companies and Investment Laws provide adequate protection for foreign investors in the Amman Stock Exchange.	-0.651	0.125	0.243	0.280
	5. Improvements in the current laws could lead to an increase in foreign investment in the Amman Stock Exchange.	-1.488	0.125	2.099	0.280
	6. Given the current legislative environment, investors would consider further investments in the Amman Stock Exchange.	-0.901	0.125	0.095	0.280
The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	1. The legislative and executive bodies provide adequate information about this legislation.	-0.406	0.125	-0.613	0.280
	2. The legislative bodies play a significant role in developing investment-friendly laws.	-0.496	0.125	-0.281	0.280
	3. The laws developed by the legislative bodies are fair and impartial to foreign investors.	-1.147	0.125	1.554	0.280
	4. The executive bodies effectively implement and enforce the laws related to foreign investments.	-0.802	0.125	0.522	0.280
	5. The executive bodies provide adequate support to foreign investors for understanding and adhering to these laws.	-0.821	0.125	0.964	0.280

Const.	Items	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
	6. There is a need for improvement in the role of legislative and executive bodies to attract more foreign investment.	-1.402	0.125	2.393	0.280
	7. Considering the role of legislative and executive bodies, investors would consider making further investments in Jordan.	-0.480	0.125	-0.280	0.280
The appropriateness of legislative policy in attracting foreign investments.	1. I am aware of the legislative policies in place for foreign investments in Jordan.	-0.575	0.125	-0.425	0.280
	2. The legislative policies are clear and easy to understand.	-0.910	0.125	0.400	0.280
	3. The legislative policies in Jordan are appropriate for attracting foreign investments.	-0.932	0.125	0.239	0.280
	4. These legislative policies are competitive compared to those in other countries.	-1.035	0.125	1.166	0.280
	5. The legislative policies have significantly influenced investors' decision to invest in Jordan.	-0.839	0.125	0.520	0.280
	6. These policies provide adequate protection and support for foreign investors.	-1.198	0.125	1.785	0.280
	7. There is room for improvement in the legislative policies to make them more attractive to foreign investors.	-1.394	0.125	2.401	0.280
	8. Considering the current legislative policies, I would recommend foreign investors invest in Jordan.	-0.472	0.125	-0.272	0.280
The legal and judicial guarantees protect and attract foreign investments.	1. I am aware of the legal and judicial guarantees in place to protect foreign investments in Jordan.	-0.545	0.125	0.051	0.280
	2. The existing legal and judicial guarantees provide a clear framework for foreign investments.	-0.252	0.125	-0.690	0.280
	3. The legal and judicial guarantees in place are adequate to protect foreign investments.	-1.245	0.125	1.382	0.280

Const.	Items	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
	4. The current guarantees provide fair and impartial treatment for foreign investors.	-0.392	0.125	-0.381	0.280
	5. The legal and judicial guarantees have significantly influenced investors' decision to invest in Jordan.	-0.591	0.125	-0.317	0.280
	6. These guarantees make investing in Jordan more attractive compared to other countries.	-0.540	0.125	0.056	0.280
	7. There is room for improvement in the legal and judicial guarantees to attract more foreign investment.	-0.247	0.125	-0.685	0.280
	8. Given the current legal and judicial guarantees, I would recommend foreign investors consider investing in Jordan.	-1.240	0.125	1.387	0.280
The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	1. I am well-informed about the legal environment for foreign investments in Jordan.	-0.450	0.125	-0.209	0.280
	2. The legal procedures for foreign investment in Jordan are clear and easy to understand.	-1.125	0.125	1.576	0.280
	3. I have faced significant legal challenges while investing in Jordan.	-0.780	0.125	0.544	0.280
	4. The legal challenges in Jordan are more pronounced than in other countries.	-0.799	0.125	0.986	0.280
	5. Certain legal obstacles discourage foreign investment in Jordan.	-0.589	0.125	0.273	0.280
	6. The Jordanian government effectively addresses these legal obstacles.	-1.425	0.125	2.129	0.280
	7. There is a need for improvement in the legal environment to attract more foreign investment.	-0.444	0.125	-0.203	0.280
	8. Despite the legal challenges, investors would consider making further investments in Jordan.	-1.119	0.125	1.582	0.280

	Construct	Multicollinearity Statistics	
		Tolerance	VIF
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.598	1.068
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.722	1.389
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.698	1.587
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.587	1.302
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.620	1.012
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.578	1.345
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.780	1.287
8	The appropriateness of legislative policy in attracting foreign investments.	0.548	1.001
9	The legal and judicial guarantees protect and attract foreign investments.	0.687	1.658
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.667	1.192

#	Construct	N	Min	Max	Mean	Std. Dev.
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	266	3.00	5.00	3.92	0.329
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	266	3.00	5.00	3.52	0.540
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	266	2.00	5.00	3.71	0.482

4	The impact of the laws of companies and investment in achieving justice and social and economic development.	266	2.00	5.00	3.88	0.824
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	266	2.00	5.00	3.85	0.531
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	266	2.00	5.00	3.96	0.478
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	266	3.00	5.00	3.90	0.584
8	The appropriateness of legislative policy in attracting foreign investments.	266	2.00	5.00	3.58	0.411
9	The legal and judicial guarantees protect and attract foreign investments.	266	2.00	5.00	3.84	0.428
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	266	2.00	5.00	3.81	0.477

#	Construct	Cronbach Alpha	No. of Items	Inter.
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.901	8	Excellent
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.786	7	Good
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.766	8	Good
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.854	8	Very Good
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.911	7	Excellent
6	How the Companies and Investment Laws contribute to increasing the	0.825	8	Very Good

	volume of foreign investments in the Amman Stock Exchange			
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.865	6	Very Good
8	The appropriateness of legislative policy in attracting foreign investments.	0.909	7	Excellent
9	The legal and judicial guarantees protect and attract foreign investments.	0.862	8	Very Good
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.832	8	Very Good

#	Construct	Estimate	S.E.	C.R.	P
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	-0.015	0.039	-0.375	0.680
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.139	0.047	3.194	0.002
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.298	0.058	4.389	0.258
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.182	0.088	2.365	***
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.198	0.036	-0.211	***
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.178	0.045	2.587	0.351
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.164	0.036	3.354	0.001
8	The appropriateness of legislative policy in attracting foreign investments.	0.195	0.075	2.644	0.028

#	Construct	Estimate	S.E.	C.R.	P
9	The legal and judicial guarantees protect and attract foreign investments.	0.364	0.062	3.110	0.033
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.025	0.074	2.701	***

#	Construct	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	-0.19
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.159
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.242
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.126
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.345
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	-0.24
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.135
8	The appropriateness of legislative policy in attracting foreign investments.	0.365
9	The legal and judicial guarantees protect and attract foreign investments.	0.235
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.334

#	Construct	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	-0.251
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.155
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.231
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.120

#	Construct	Estimate
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.341
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	-0.221
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.136
8	The appropriateness of legislative policy in attracting foreign investments.	0.354
9	The legal and judicial guarantees protect and attract foreign investments.	0.221
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.319

#	Factor	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.072
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	-0.125
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	-0.364
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.136
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.221
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	-0.095
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.245
8	The appropriateness of legislative policy in attracting foreign investments.	0.318
9	The legal and judicial guarantees protect and attract foreign investments.	0.412
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.084

#	Factor	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.215

#	Factor	Estimate
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.136
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.360
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.124
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.328
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.095
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.395
8	The appropriateness of legislative policy in attracting foreign investments.	0.178
9	The legal and judicial guarantees protect and attract foreign investments.	0.409
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.164

#	Factor	Estimate
1	legislation and laws related to foreign investors in the Hashemite Kingdom of Jordan	0.041
2	The impact of corporate and investment laws on attracting foreign investments in the Hashemite Kingdom of Jordan	0.002
3	The incentives and advantages provided by the Jordanian government to foreign investors by the Companies and Investment Law	0.011
4	The impact of the laws of companies and investment in achieving justice and social and economic development.	0.108
5	The role of the Government of the Hashemite Kingdom of Jordan in attracting, supporting, and encouraging foreign investment.	0.015
6	How the Companies and Investment Laws contribute to increasing the volume of foreign investments in the Amman Stock Exchange	0.065
7	The role played by legislative and executive bodies in developing legislation that attracts foreign investments.	0.001
8	The appropriateness of legislative policy in attracting foreign investments.	0.022
9	The legal and judicial guarantees protect and attract foreign investments.	0.004
10	The legal challenges and obstacles facing foreign investors in the Hashemite Kingdom of Jordan	0.035