



ISSUES IN OWNERSHIP OF REAL ESTATE

JORDON

Ali Sharif Zu'bi, Advocates & Legal Consultants

CONTACT INFORMATION:

Khaled O. Asfour

Ali Sharif Zu'bi, Advocates & Legal Consultants

PO Box 35267

Amman, Jordan 11180

Tel: 962.6.464.2908 / Fax: 962.2.463.4277

Email: khaled.asfour@zubilaw.com

Web Site: www.zubilaw.com

1. Is perpetual fee simple ownership of real property permitted? If not, what are the principal forms of ownership, or other principal form of ownership, of real property?

Yes, fee simple ownership is permitted. In fact, it is the only type of ownership possible. Under certain circumstances, purchasers of property opt for getting an irrevocable power of attorney from the Seller to sell the property. If such Power of Attorney is registered in the relevant land registry department, it will restrict the owner of record from transferring title to the property for one year.

2. What instruments are used to convey fee simple ownership, or other principal form of ownership, of real estate?

A transfer deed that is signed at the relevant land registry department is the only way to transfer title. Any agreement to sell executed outside the land registry department is null and void.

3. How in this jurisdiction is the ownership of real property recorded or searched? Who generally performs the search?

There is a title registry at the land registry department in each municipality and a master registry at the main land registry department (although not updated in real time). The title registry can be checked for each relevant land only with the permission of the owner.

4. What assurances of ownership are available to purchasers of real property (e.g., title insurance or title opinions)? What is the cost of obtaining such assurances?

There are no such assurances.

5. What are the most common forms of investment vehicles? What are the most common entities employed to own investment real estate in a tax efficient manner?

Since there are no capital gains taxes on sale of real estate in Jordan, the type of investment vehicle is irrelevant. The most common types of companies are limited liability companies.

6. Has this jurisdiction adopted, or is it considering, legislation permitting the creation of real estate investment trusts or similar entities?

No such entities are available or being contemplated.

7. What state or local transfer, stamp or similar taxes are levied generally on sellers or buyers upon the direct transfer of real estate?

Title transfer fees amount to 10% of the sale price (or estimated value of the real estate, whichever is higher); 4% is paid by the seller and 6% by the buyer.

8. What state or local transfer, stamp or similar taxes are levied generally on sellers or buyers upon the transfer of interests in entities which own real estate?

Transfers of shares in limited liability companies apply at 0.3% of the value of transaction (or nominal value of the shares being transferred).

9. How significant is local regulation and taxation of real estate? How significant is the variation of real estate law among political subdivisions of this jurisdiction?

Real estate law is one of the most well established areas of the law and there is a significant volume of regulations that apply. The law and regulations relating to real estate are generally uniform across the political subdivisions of Jordan.

10. Must ultimate beneficial owners of entities which own real estate be disclosed as a matter of public record?

The law only recognizes the registered owner of the land and any agreement to the contrary is null and void. Therefore, if there is an agreement between the registered owner that it is holding title to the real estate for the benefit of a third party, then such agreement would be null and void and the law would only recognize the rights of the registered owner.