

## The Financial Instructions of the Social Security Investment Fund

Issued pursuant to the provisions of Paragraph (i), Article (11), and Clause (9), Paragraph (b), Article (14) of the Social Security Temporary Law No. (7) of 2010; and Paragraph (g), Article (10) of Regulation on the Investment of Corporation's Corporation Funds No. (111) of 2001 and its amendments, and in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013.

### Chapter 1: Definitions and Enforceability of Instructions

#### Article (1)<sup>1</sup>:

These instructions shall be known as (The Financial Instructions of Social Security Investment Fund) and shall come into force as of the date of approval thereof by the Board of the Social Security Corporation

#### Article (2)<sup>2</sup>:

The following words and phrases, wherever mentioned in these Instructions shall have the meanings attributed to hereunder unless the context indicates otherwise:

- 1- **Law:** The applicable social security law
- 2- **Bylaw:** The applicable Investment bylaw of the Social Security Corporation.
- 3- **Corporation:** The Social Security Corporation
- 4- **Fund:** Social Security Investment Fund established under the provisions of paragraph (g) or article (8) of the Law
- 5- **Investment Board :** Social Security Investment Board
- 6- **SSIF Chairman:** The Chairman of Social Security Investment Fund
- 7- **Involved Manager:** The manager in charge of the financial issues in the Fund
- 8- **Financial Manager:** The manager of Financial Control Department in the Fund
- 9- **Financial Employee:** The Fund's employee who is authorized to collect, keep, expend and control the Fund's funds, or who is authorized to organize financial documents, keep accounting records or who is in charge of executing, adopting, endorsing, entering or carrying over accounts records to registers, cards or forms designated for that purpose
- 10- **Fiscal Year:** The period starting on the first day of January of each year and ending on the thirty first of December of the same year

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<sup>1</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>2</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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- 11- **Balance Sheet (Financial Position):** The financial statement that contains the assets, liabilities and shareholders' equity as of the end of the fiscal year.
- 12- **Separate Final Financial Statements:** Financial statements prepared at the end of fiscal year to clarify the financial position of the Fund and the business results of an ended fiscal year, which include the balance sheet, income statement, cash flow statement, and changes in equity statement.
- 13- **Budget:** Budgetary financial statements of the Fund and the enclosed explanatory notes for a consecutive/following fiscal year.
- 14- **Forecasted Budget Provisions:** The amounts anticipated to be disbursed during the year based on the assumptions made by the various departments of the Fund.
- 15- **Advance Payment:** The sum of money that is paid in advance on the account of budgetary allocations that are formed specifically to implement certain activities, conduct specific tasks or meet the SSIF's or Fund's financial obligations or any other obligations resulting from contracts, agreements, warranties, or to cover petty cash or contingent expenditures.
- 16- **Trusts:** Received or cut amounts to be spent in certain activity or for the payees' accounts, which represent a liability to the Fund.
- 17- **Recurrent Expenditures:** The current expenses and capital expenditures.
- 18- **Current Expenditures:** Any expenditure resulting in a benefit or service to the Fund during the financial period. Such expenditures are periodic and recurrent and are deducted from revenues related thereto to attain the business results for the period.
- 19- **Capital Expenditures:** Expenditures consumed to attain fixed assets or improve the existing ones to increase value or prolong the useful life thereof.
- 20- **Consolidated Final Financial Statements:** The financial statements of the Social Security Investment Fund and subsidiaries thereof, in addition to its wholly owned hotels and restaurants after the reconciliation of the current accounts and transactions between them.
- 21- **International Financial Reporting Standards IFRSs:** The standards and interpretations adopted by the International Accounting Standards Board.

## Chapter 2: Accounting and Financial Instructions

### Article (3)<sup>3</sup>:

The Fund shall be responsible for keeping the financial records and preparing the financial statements in accordance with the IFRSs.

## Chapter 3: Duties and Responsibilities

<sup>3</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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### **Article (4)<sup>4</sup>:**

The SSIF Chairman shall be the paymaster in the Fund as per its budget and the resolutions of the Investment Board, and is in charge of making all necessary decisions to maintain the Fund's funds.

### **Article (5)<sup>5</sup>:**

In accordance with a decision issued thereby, the Investment Board shall determine the authorized signatories for signing checks and payment orders on the Fund's banks accounts, provided that signatories are no less than two for any withdrawal.

### **Article (6)<sup>6</sup>:**

Based on the recommendation of the Financial Manager or the Involved Manager, The SSIF Chairman shall identify the employees who:

- (a) Shall provide financial guarantee as per the employees' applicable Financial Guarantee bylaw.
- (b) Shall be ensured against breach of trust, provided the Fund assumes all fees, charges, and other expenditures related thereto.

### **Article (7)<sup>7</sup>:**

The Financial Manager is held accountable before the SSIF Chairman for implementing the financial department's activities as follows:

- (a) Supervise bookkeeping , organizing and recording incoming financial documents to the Financial Department within accounting entries, and posting entries resulting from SSIF activities correctly and substantiate all relevant financial transactions
- (b) Participate and coordinate with the relevant departments in preparing the draft budget and follow up its implementation after the approval thereof.
- (c) Prepare the balance sheet and final financial statements
- (d) Prepare reports and periodic financial statements related to the Fund's accounts within the periods specified by the SSIF Chairman, supported by explanatory notes and necessary recommendations.
- (e) Abide by the accounting and financial rules and standards adopted by the Fund.

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<sup>4</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>5</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>6</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>7</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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- (f) Any other duties assigned by the SSIF Chairman
- (g) All other duties as per the job description of the Financial Manager Held at SSIF's Human Resources Department

### **Article (8)<sup>8</sup>:**

The financial employee assigned for performing accounting and financial operations related to the Funds and shall be responsible for:

- (1) Performing all financial operations in accordance with the applicable legislations of the Fund.
- (2) Maintaining, records, and financial documents in his possession in accordance to the applicable legislations.
- (3) Following up the collection and receipt of the Fund's funds.
- (4) Following up the payment of the Fund's due obligations.
- (5) Any mistakes may result in any adverse effect against the Fund and interests thereof, as well as any acts of any manipulation, embezzlement, fraud or loss of the Fund's funds, whether deliberately or negligently.

## **Chapter 4: Salaries**

### **Article (9)<sup>9</sup>:**

Salaries, allowances and wages shall be paid to beneficiaries on monthly basis as per the cadre applicable in the Fund on the set date under a decision issued by the SSIF Chairman for such purpose.

### **Article (10)<sup>10</sup>:**

The HR department shall prepare the payrolls, deduct all taxes and social security subscriptions due on the employees on monthly basis, and shall pay the same on timely basis to avoid any fines. Moreover, the HR department shall deduct any other amounts due to the Fund or third parties such as health insurance premiums, phone call fares, monthly installments, etc. The HR department shall inform the concerned employee of such deductions and amend the employees' data, taking into consideration separating the authorization to calculate payrolls from the authorization to amend the employee's data.

## **Chapter 5: Budget**

### **Article (11)<sup>11</sup>:**

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<sup>8</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>9</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>10</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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The annual budget aims to:

- (1) Demonstrate the Fund's strategy
- (2) Determine the objectives according to which the performance will be evaluated
- (3) Is considered a systematic approach of planning
- (4) Documenting the Fund's plans
- (5) Enhance financial control process
- (6) Coordinating the various activities of the Fund.
- (7) Signify the time value of funds I couldn't understand the Arabic sentence.

### **Article (12)<sup>12</sup>: Parts of Budget**

The Fund's budget includes three main parts:

- (a) Current and capital expenditures
- (b) Assets and projected revenue thereon
- (c) Estimated financial statements

### **Article (13)<sup>13</sup>: Responsibility of Budget Preparation**

The Financial Manager prepares the draft budget, accompanied by necessary data, assumptions, notes and recommendations and submits them to the SSIF Chairman on or before the last day of October of each year.

### **Article (14)<sup>14</sup>: Budget Approval**

- (a) The SSIF Chairman introduces the draft budget to the Investment Board so as to refer it to the Corporation Board for endorsement.
- (b) In the event that the budget is not endorsed before the beginning of the next fiscal year, the expenditure continues in monthly allocations in a ratio of 1/12 according to the previous fiscal year's budget to cover the recurrent financial expenditures, provided that these amounts are settled from the new budget after endorsement, whereas financial and contractual obligations of the previous year are to be settled when due.

### **Article (15)<sup>15</sup>: Amendment of Budget**

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<sup>11</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>12</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>13</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>14</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>15</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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If needed, the Investment Board pursuant to a recommendation by the SSIF Chairman, may issue an appendix to the budget during the fiscal year and refer it to the Corporation Board for endorsement

### **Article (16)<sup>16</sup>: Transfers**

- (a) transfer of provisions allocated in the budget is allowed under the following terms and conditions:
- 1- Upon the Investment Board's approval based on the SSIF Chairman's recommendation to transfer as follows:
    - a- From the capital expenditures items to the current expenditures items
    - b- From one budgetary item to another, or from one section to another regarding capital expenditure
  - 2- Upon the SSIF Chairman's decision based on the recommendation of the Financial Manager to transfer items from the current expenditures to the capital expenditures.
  - 3- The SSIF Chairman may transfer provisions from a section in the budget to another or from one item to another included in the same section of current expenditures, except for the provisions for salaries, allowances and wages, where transfer among them may not be allowed unless such transfer is approved by the Investment Board based on a recommendation by the SSIF Chairman
- (b) Within 2 months as of the end of the fiscal year, the Financial Manager shall prepare a brief report showing the actual figures of the previous year as compared to the figures of the items and sections of the budget and defining the deviations. The report shall be submitted to the Investment Board for approval and to the Corporation's Board for endorsement.

### **Article (17)<sup>17</sup>: Mechanism of Budget Preparation**

The Fund's budget shall be prepared pursuant to the methodology and procedures of budget preparation stipulated for in the Financial Control Department's procedures approved by the SSIF Chairman.

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<sup>16</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>17</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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### **Chapter 6: Resolutions, Documents and Entries**

#### **Article (18)<sup>18</sup>:**

- (a) The SSIF Chairman shall approve the following forms:
- 1- Records and entries used in by the Fund
  - 2- Payment vouchers
  - 3- Cash receipts
  - 4- Any forms necessary for the financial and accounting transactions.
- (b) The SSIF Chairman shall issue the necessary decisions to determine the following:
- 1- Methods of book keeping (automatically or manually)
  - 2- Retention period of any type of records or forms
  - 3- Disposal procedures and committees formed for that purpose
  - 4- Work procedures of Financial Control Department
  - 5- Committees to be formed for any financial purposes

#### **Article (19)<sup>19</sup>:**

- The Administrative Affairs and Operations Department shall execute all entries via the electronic accounting system.
- The entries shall be approved by the Financial Control Department, where all process components and the accounting directions as per the department's procedures are ensured.

#### **Article (20)<sup>20</sup>:**

- (1) All records and documents related to any financial transactions in the Fund shall be recorded electronically
- (2) Entries shall be kept after ensuring the annexes and supporting documents thereof are complete.
- (3) Records, documents, books, applications and any other documents related to the Fund's business may be electronically kept, provided a hard copy is duly documented.
- (4) The SSIF Chairman shall issue the necessary decisions to record the transactions received by the Fund electronically, and shall determine the methods of keeping,

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<sup>18</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>19</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>20</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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amending, writing down, and extracting the same as well as any other matters related thereto.



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### **Chapter 7: Procurement**

#### **Article (21)<sup>21</sup>:**

All matters related to the Fund's Procurement shall be organized in accordance with the Procurement Instructions.

### **Chapter 8: Settlements and Reconciliations**

#### **Article (22)<sup>22</sup>:**

Internal or external settlements and reconciliations shall be performed in accordance with the procedures of the Financial Control Department.

### **Chapter 9: Control of Fund's Revenues and Expenditures**

#### **Article (23)<sup>23</sup>:**

- (1) Fund's funds shall be collected according to specified mechanisms defined by the Corporation's Board.
- (2) Revenues and expenditures shall be recognized in accordance with IFRSs.
- (3) Received funds are recorded in the registers in their collection day the date of transaction as stated in the Bank's statement.
- (4) The Fund's funds may not be used after their receipt or prior to their deposit in the bank account for any reason whatsoever
- (5) Checks issued for collection in favor of the Fund shall be received and deposited in any of the Fund's bank accounts as per the adopted procedures.
- (6) Checks issued by the Fund for beneficiaries shall be transferred to the lapse of right check account after the elapse of 6 months from their issuance. They shall remain in such account for the period of 5 years to be claimed. If 5 years elapse and the checks are not claimed; they shall be transferred to the Fund's revenues.

#### **Article (24)<sup>24</sup>:**

Received funds, if collected by error, may be refunded to their beneficiaries as follows:

- Upon the decision of Financial Manager if the amount is less than JD 1000.
- Upon the decision of the SSIF Chairman, based on the recommendation of the Financial Manager, if the amount exceeds JD 1000.

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<sup>21</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>22</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>23</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>24</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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### Chapter 10: Control of Expenditures and Liabilities

#### Article (25)<sup>25</sup>:

- (a) No obligation shall be committed without a prior provision in the budget.
- (b) Upon the SSIF Chairman's recommendation in special events imposed by public interest, the Investment Board, may commit to a liability or expenditure exceeding the provision allocated thereto in the budget if the spending nature or of the project execution requires more than one fiscal year.
- (c) Upon the SSIF Chairman's recommendation, the Investment Board may, when necessary, create sections for new capital expenditures and secure the necessary provisions from other capital expenditures sections.

#### Article (26)<sup>26</sup>:

The Fund shall hold no financial liability pertaining to any agreement or contract unless signed by authorized signatories on its behalf in accordance with the accredited authorizations.

#### Article (27)<sup>27</sup>:

- (a) Expenditures shall not be disbursed unless the following conditions are met:
  - 1- Claims and documents that records the expenditure and reinforces payment.
  - 2- Accuracy of expenditures calculation
  - 3- Compliance of the expenditure with the Fund's valid laws, regulations and instructions.
  - 4- Approval of disbursement by the authorized party.
- (b) Exception to the provisions of clause (a) of this article are as follows:
  - 1- Expenditures stipulated for in any applicable legislation
  - 2- Approved advanced payments pursuant to any agreement or contract.
  - 3- Training fees, subscriptions in periodicals, magazines, or professional societies, and contributions to local, regional and international organizations and unions, and refundable insurances and the likes.
  - 4- Confirmed advance payments for contingent purposes or official tasks.
  - 5- Any other case approved by the Investment Board

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<sup>25</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>26</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>27</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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### Article (28)<sup>28</sup>:

All Payment vouchers (checks or transfers) and the supporting documents thereof shall be stamped by the Administrative Affairs and Operations Department with a seal that refers to “paid”, “pay date”, “pay method” and check number or payment order.

### Article (29)<sup>29</sup>:

All expenditure payment procedures incurred on the Fund shall be organized in accordance with payment procedures stipulated for in the adopted procedures of the Financial Control Department.

## Chapter 11: Advance Payments

### Article (30)<sup>30</sup>:

The SSIF Chairman may order advanced payment on the account of the balanced allocations in the budget. Its amount is specified according to the task, or the commitment required.

### Article (31)<sup>31</sup>:

Advance payments shall be paid to the Fund’s subsidiaries, hotels or restaurants upon a comprehensive and detailed decision by the Investment Board, which states the mechanism of granting, and treatment, mode of repayment, and duration as well as the mechanism of treatment ~~of between the current accounts there between~~.

### Article (32):

Advance payments shall be paid for any of the following purposes:

- (a) Permanent advance payments to the employee in charges of ~~with defraying~~ recurrent petty cash expenditures.
- (b) Temporary or administrative advance payment to execute a certain job, purchase supplies of certain value, perform a specified task, provide a commodity or service, or meet emergency expenditures, or to a delegated employee in a training course or official mission abroad.

<sup>28</sup> As amended in accordance with the Board’s resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>29</sup> As amended in accordance with the Board’s resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>30</sup> As amended in accordance with the Board’s resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>31</sup> As amended in accordance with the Board’s resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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### Article (33)<sup>32</sup>:

- (a) Permanent advance payments shall be settled on the last day of the fiscal year, and may be renewed as necessary. It is also settled upon assigning another the relocation of the employee to whom it was paid to be in charge, or when he makes is asked to settle the payment request or upon the termination of his services.
- (b) Temporary or administrative advance payments shall be settled upon the end or fulfillment of its purpose.

### Article (34)<sup>33</sup>:

The employee or person to whom the advance payment was paid shall be personally liable thereof. If it is not settled, it shall be deemed a personal debt and shall be collected by all applicable means, including monthly salary deductions pursuant to the decision of the SSIF Chairman.

### Article (35):

Paying and refunding advance payments shall be subject to the provisions stated herein.

## Chapter 12: Trusts

### Article (36)<sup>34</sup>:

Trusts shall be divided into the following:

- (a) Trusts of salary deductions: the amounts deducted from employees' salaries and raises to apply laws, instructions and agreements that require transfer from the payroll to relevant parties.
- (b) Other trusts: the amounts deducted, received or kept for other parties' accounts to execute legal or contractual obligations, or surpluses or wrongly received amounts, amounts of anonymous beneficiaries, or the value of checks issued by the Fund, which are not submitted to payment within their due time. Such trusts shall be paid to their beneficiaries unless these beneficiaries lose their rights due to laps of right.

### Article (37)<sup>35</sup>:

- (a) Trusts of government agencies and public sector shall be paid once a month at least including:

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<sup>32</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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<sup>34</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>35</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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- 1- Stamps and fines
  - 2- Income tax
  - 3- Sales tax
  - 4- Any other charges, taxes, or trusts for the public sector.
- (b) The following trusts shall be paid once a month at least:
- 1- Employees' monthly subscriptions to social security
  - 2- Savings deductions
  - 3- Deductions of social activity trusts

### Chapter 13: Warranties

#### Article (38)<sup>36</sup>:

Third party warranties submitted to the Fund shall meet the following requirements:

- (a) Issued by a local bank
- (b) ~~In accordance with the~~ Upon a request and its collection is unconditional.
- (c) Automatically renewed upon expiry unless the Fund issues a decision otherwise.
- (d) Meets the Fund's conditions and requirements.
- (e) Its amount shall be enough to cover the warranted amount or according to stipulations of contracts or agreements.

#### Article (39)<sup>37</sup>:

Extension of duration or amendment of the warranty's amount is requested upon its decrease or confiscation by a decision from SSIF Chairman according to a recommendation from the Financial Manager.

#### Article (40)<sup>38</sup>:

- (a) All warranties shall be recorded in off balance sheet regular accounts via the electronic financial system.
- (b) All warranties shall be kept in a safe at the Administrative Affairs and Operations Department.
- (c) The Administrative Affairs and Operations Department shall follow up with the concerned department regarding the renewal of warranty, demand of its value in due time, or return it to its resource upon expiry of its purpose. The follow up

<sup>36</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>37</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>38</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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shall be performed by recording the warranty in the warranties register electronically or manually.

~~The follow up shall be performed by recording in the warranties register electronically or manually.~~

### Article (41)<sup>39</sup>:

The settlement division at the Financial Control Department shall follow up the monthly warranties with the Administrative Affairs and Operations Department by preparing the required settlements.

## Chapter 14: Financial Control

### Article (42)<sup>40</sup>:

The Fund's accredits the following control methods:

- 1) Internal control including:
  - a- Financial control over all the Fund's accounts through the Financial Control Department.
  - b- Internal control and audit by the Internal Control and Audit Department in accordance with the Fund's adopted Internal Control Regulation
- 2) External control including:
  - a- ~~Auditing by the~~ Audit Bureau
  - b- External audit by external independent certified auditor

### Article (43)<sup>41</sup>:

All records, documents and financial registers shall be subjected to internal and external audit. The Fund's employees shall introduce these financial records, documents and registers to the various control authorities stated in article (40) herein and provide them with any detailed data as requested.

<sup>39</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>40</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>41</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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### Article (44)<sup>42</sup>:

- (a) Appointing the external auditor of the Fund's account shall be upon the Corporation Board resolution in coordination with the Investment Board.
- (b) The external auditor of the Fund's accounts and wholly owned subsidiaries and hotels shall be the same.

### Article (45)<sup>43</sup>:

- (a) In the event of embezzlement fraud or loss of the Fund's funds, manipulation or forgery of documents, registers, financial notices or any other document, the SSIF Chairman, based on the recommendation of the Financial Manager, may set up a committee to determine the employee's liability and disciplinary measures to be taken against him, provided that a report in this regard is submitted at the Investment Board first meeting following the occurrence of the incident.
- (b) Acts of embezzlement- fraud and financial and accounting manipulation shall be debited from the relevant employee's account, provided that it shall be settled according to the decision issued by the competent authority.

### Article (46)<sup>44</sup>:

- (a) If the liable person for any shortage or loss in Fund's funds is impossible to be identified, the shortage or loss is eliminated based on the following
  - 1- Upon the SSIF Chairman's decision, based on a recommendation by the committee constituted for this purpose, if the loss value does not exceed JD 2000.
  - 2- Upon the Investment Board's decision, based on a recommendation by the SSIF Chairman pursuant to a recommendation by the committee constituted for this purpose if the loss value exceeds JD 2000
- (b) The Fund's funds mean monetary items- money and the likes such as stamps but shall not include procurement
- (c) The Procurement Instructions shall be applied to eliminated ant loss or deficit in procurement.

### Article (47)<sup>45</sup>:

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<sup>42</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>43</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>44</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

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- (a) Fixed assets used in operations shall be determined ~~to be capitalized for capitalization purposes according to the~~ based on their value value thereof as follows:
- 1- If the value of the purchased asset is less than JD 25, it should be expensed.
  - 2- If the value of the asset ranges between JD 25-500, it shall be recorded as an asset with the value of JD 1 for the purpose of follow up and control.
  - 3- If the value of the asset is more than JD 500, it shall be recorded as an asset with the full value thereof.
- (b) The Fixed assets used to operate the Fund's activities shall be depreciated using the straight line method with the following ratios:

No.	Fixed assets	Depreciation rate
1	Furniture	10%
2	Computers	25%
3	Printers	25%
4	<del>software</del> <u>Software</u> and <del>systems</del> <u>Systems</u>	25%
5	Machinery and <del>equipment</del> <u>Equipment</u>	15%
6	Vehicles	15%

- (c) The Fixed assets used in hotels and rest houses shall be depreciated using the straight line method with the following percentages:

No.	Fixed assets	Depreciation rate
1	Furniture	15%
2	Machinery and <del>equipment</del> <u>Equipment</u>	15%
3	Vehicles	15%
4	Computers, <del>software</del> <u>Software</u> and <del>systems</del> <u>Systems</u>	25%
5	Perishable <del>operational</del> <u>Operational items</u> <u>Items</u>	20%
6	Restorations and <del>improvements</del> <u>Improvements</u>	15%
7	Buildings (including concrete structure and stones)	2%
8	<del>lands</del> <u>Lands</u>	0%
9	Electro <del>mechanic</del> <u>Mechanic</u>	15%

<sup>45</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013



## The Financial Instructions of the Social Security Investment Fund

10	Plumbing	15%
11	Elevators	10%
12	Ready- made hangers and chalets	10%
13	Others	15%

### Article (48)<sup>46</sup>:

Financial control shall be conducted at least biannually to subsidiaries and hotels wholly owned by the Corporation and ~~Monetary-Cash~~ Management through ~~the development and enforcement of a control mechanism system.~~

### Chapter 15: Financial Statements

#### Article (49)<sup>47</sup>: Interim Financial Statements

- The Financial Control Department shall prepare interim financial statements and annual financial statements to be audited by ~~an- the~~ external auditor. The ~~dates-due dates and- , the~~ preparation, and ~~presentation's-presentation~~ procedures shall be ~~stated specified~~ in the procedures of the Financial Control Department.
- Interim financial statements shall be prepared manually or electronically. They shall be submitted to the SSIF Chairman, and a copy of which shall be delivered to the departments of Financial Control, Internal Audit, and Risk Management and Strategic Planning.

### Chapter 16: Financial Reports

#### Article (50)<sup>48</sup>:

The Financial Control Department shall prepare the financial reports to help the management in the decision- making as follows:

- 1- Reports of monthly, quarterly, and annual performance
- 2- Report of Fund's accounts analysis and follow up
- 3- Expenditure analysis and budget deviations
- 4- Report of financial position submitted to the Corporation
- 5- Any other reports requested by the management and when needed.

### Chapter 17: Provisions

#### Article (51)<sup>49</sup>:

<sup>46</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>47</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>48</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

## The Financial Instructions of the Social Security Investment Fund

- (a) The provisions of loans and receivables shall be created upon the approval of the Investment Board
- (b) The regulations of the Central Bank of Jordan (Regulations of Credit Facility Rating, Calculation of Impairment Provision, and General Banking Risk Reserve) shall be applied to calculate the impairment provisions of such loans and receivables.

### Chapter 18: General Provisions

#### Article (52)<sup>50</sup>:

- (a)
  - 1- The Investment Board may delegate any of its authorities ~~provided for~~ decided herein to the SSIF Chairman.
  - 2- The SSIF Chairman may delegate any of his authorities ~~provided~~ decided for herein to the Financial Manager, Involved Manager or any employee.
- (b) Any of the delegations, provided for in paragraph (a), shall be specified and in writing.

#### Article (53)<sup>51</sup>:

The provisions of these instructions shall apply to all the Fund's financial transactions.

#### Article (54)<sup>52</sup>:

The SSIF Chairman may issue relevant decisions concerning any ~~issues~~ issue not addressed herein, and deemed necessary for the proper execution of these instructions.

#### Article (55)<sup>53</sup>:

These instructions shall supersede all previous instructions and decisions issued in this regard which are contradictory therewith.

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<sup>49</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>50</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>51</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>52</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013

<sup>53</sup> As amended in accordance with the Board's resolution No. (139/2013) in its session No. (9/2013) dated 28/8/2013