

Law No. (13) for the year (2021) the Budget Organic Law

Amended by Law No. (2) for the year 2023 Amending Law of the Budget Organic Law and Government Units' Budgets

Article 1- This law shall be called the (the Budget Organic Law for the Year 2021) and shall enter into force after thirty days from its publication in the Official Gazette.

Article 2- Where the following words and phrases appear in this law, they shall have the meanings assigned to them below, unless otherwise indicated by the context:

The Ministry: The Ministry of Finance

The Minister: The Minister of Finance

The Department: The General Budget Department

The Director General: The Director General of the Department

The Chapter: the government Department or Unit whose budget is part of the General Budget Law.

The Government Department: Any Ministry, Department, Authority, Commission or Public Institution whose budget is part of the State's General Budget.

The Government Unit: Any Commission, Public Official Institution, Authority, Company or a financially or administratively independent public institution whose budget is part of the General Budget Law.

The General Budget: The government's plan for the coming fiscal year to achieve the desired national goals within the medium-term financial framework.

The Fiscal Year: The year starts on the 1st of January and ends on 31 December of the same year.

The Program: Group of activities and projects included in the chapter budget to achieve a specific goal or goals that are related to each other and are consistent with the national goals. The program includes the allocations required to achieve these goals.

The Project: The package of capital expenditure allocated under spending articles and items to achieve the goal or goals of the program.

The Activity: The package of current expenditure allocated under spending articles and items to achieve the goal or goals of the program.

The Revenues: All taxes, fees, returns, profits, surpluses, grants and any other funds received for the public treasury or any government unit.

The Expenditure: Funds allocated within the budgets of Chapters to finance all items of their current and capital expenditures, according to the general budget law and as per adopted economic classification of expenditure.

The Capital Expenditure: Expenditure associated with the acquisition, construction, development or restoration of assets with a life expectancy of more than one year.

The Current Expenditure: Annual recurrent government expenditures associated with sustaining the functioning of the government apparatus and enabling it to perform its mandated tasks.

Budget Deficit or Surplus: - The difference between total revenues and total expenditure.

Medium-term Financial Framework (MTFF): The Government's fiscal plan and its policy in the medium term for the budget's year and two subsequent indicative years, based on expectations of the national economy and a number of milestones, assumptions, and expectations of key economic indicators.

Medium-term Expenditure Framework (MTEF): The detailed plan of expected expenditure of Chapters in the medium term of the Budget's year and two subsequent indicative years.

Results Oriented Budget (ROB): The methodology used in the preparation of the General Budget Law whereby the chapters define their vision, mission, strategic objectives, programs, projects, activities and performance measurement indicators at the level of strategic objectives and programs that are clear, specific, measurable, realistic and time-bound and aligned with the vision and mission of Chapters to achieve national goals and priorities.

Manpower Tables: Group of jobs, categories, grades and salaries for departments and government units, according to the provisions of effective legislation.

Arrears: Outstanding amounts after the due date.

Appropriations: The maximum amount allocated for expenses of Chapter, Program, Project, Article or Item which is included in the General Budget Law.

Commitment Allocations: Amounts allocated in the General Budget Law to meet obligations.

Control on Commitments: To ensure that the actual obligations of each Chapter are consistent with the provisions of the General Budget Law and the plan for its expenditure for any period of time in accordance with instructions issued by the Minister.

Financial Commitment Document: A document whereby the Department certifies the availability of the necessary allocations for the purposes of bidding in excess of ten thousand dinars. If the tender requests a commitment to secure the necessary allocations for more than one year, the Department shall issue a financial commitment letter to provide the necessary allocations for the required years.

Financing Budget: A plan to identify government financing needs (uses) and expected sources of funding during the fiscal year.

Financing Sources: Budget Surplus, domestic and foreign borrowing, debt rescheduling or any other returns.

Financing Uses: Budget deficit, foreign debt installments, domestic debt amortizations, Government installments for other parties and advances to finance other parties' needs.

Contingency Expenditure: Funds allocated to meet emergency conditions and unexpected developments under the General Budget Law.

COA: A set of consistent and appropriate classifications of the Government's financial system transactions including occupational, economic, organizational and programmatic and financing and geographic classification of the government financial statements.

Public Financial Order: A permission for spending issued by the Minister, whereby the chapters are allowed to spend from the current allocations made in the General Budget Law.

Special Financial Order: A permission for spending issued by the Minister, whereby the chapters are allowed to spend from the capital allocations made in the General Budget Law.

Tax Expenditure: volume of amounts resulting from tax reductions and exemptions for designated taxpayers in accordance with the legislations in force, as compared with the reference tax system.

Follow up and Evaluation: Follow-up on performance indicators and measure them at the level of strategic objectives and programs in the General Budget Law to ensure that they achieve the targeted results.

Budget Supplementary: A Law supplementary to the General Budget Law issued during the fiscal year if the public interest so requires.

Final Accounts: Statement of financial position, statement of financial performance, changes in net assets, cash flow, notes and explanations to these statements.

Public Treasury Account: The financial statement and financial performance and changes in the net assets and cash flow, remarks and explanations

Treasury Single Account: The account or group of official banking accounts at Central Bank of Jordan or any local commercial bank adopted by the Ministry

Article 3- The General Budget Law takes into account the following principles:

- A- Inclusion:** - All Revenues and Expenditure, including Contingency Expenditure, are included under the General Budget Law and accounts for income and expenditure outside this law are limited, exceptionally and with the approval of the Council of Ministers on the recommendation of the Minister, provided that Tax Expenditure is included as estimated expenditure under the General Budget Law.
- B- Authority:** -The Government's commitment to prepare the General Budget Law and prepare the budget supplementary laws if necessary, and submit them to the Parliament to proceed with constitutional procedures for their approval.
- C- Revenues consolidation:** - consolidate all revenues into the Treasury Single Account.
- D- Allocation:** Allocate the financial appropriations within the general budget law to achieve specific goals and results.
- E- Accountability:**-The Government should inform the Parliament of the financial results of its work in providing the necessary services, its efficiency and effectiveness in managing financial resources through the Ministry's final accounts and the

annual report issued by the Audit Bureau in accordance with its applicable law.

F- Transparency: -The Ministry and the Department are committed to providing data and information on the general budget and assumptions on which the budget estimates and the objectives, directions and priorities of fiscal policy are based and disseminated in a timely manner to the public. Such data, information and other terminology used in the General Budget Law should be clear.

G- Stability: - The Draft General Budget Law aims at achieving and strengthening the financial stability and on the medium term through the commitment to control deficit and public debt.

Article 4- A department called (The General Budget Law) is established which is linked to the Minister and the Director General shall be appointed by a decision of the Council of Ministers upon the Minister's recommendation.

Article 5-A- In May of each year, the Prime Minister issues a circular containing instructions for chapters to prepare their draft budgets and manpower tables for next year with initial ceilings for chapters.

B- In September of each year, the Prime Minister issues a circular for the preparation of the Draft General Budget Law and the Government Ministries, Departments and Units Manpower Bylaw for a fiscal year, including the procedures to be followed by the Government in preparing the budget for the budget year and two subsequent indicative years, the main orientations, expectations, hypotheses and the financial procedures on which the budget estimates are based in preparing the budget estimates, together with the final spending ceiling for each chapter and the procedures and instructions to be followed by the chapters when preparing their draft budgets and manpower tables.

Article 6-For the purpose of preparing and implementing the general budget, the Ministry shall assume the following tasks:

A-Developing the State's fiscal policy Consistent with macroeconomic developments and expected performance

B- Preparing the medium-term financial framework in cooperation with the Department and submitting it to the Council of Ministers.

C- Preparing the public debt strategy and future expectations.

D-Contributing to the implementation of the general budget in cooperation with the Department.

E-Preparing and submitting the financial reports.

Article 7- A-The department shall assume the following tasks: -

- 1- Preparing a detailed statement of the processes and procedures necessary for the preparation and approval of the general budget and the entity responsible for its implementation and the time set therefor in accordance with a timetable prepared by the Department.
- 2- Allocating funds for the implementation of State's policy in accordance with the priorities in a way that realizes the distribution of development benefits and gains across the Kingdom's governorates.
- 3- Preparing the draft general budget law and submitting to the Council of Ministers.
- 4- Preparing manpower bylaw for Ministries, Government Departments and Units in coordination with the relevant official bodies in accordance with the laws and regulations in force.
- 5- Defining ceilings of governorates' budgets and supplying the governorates with the ceilings to prepare and approve their draft budgets in accordance with these ceilings, for inclusion in the budget of the chapters according to competence in the General Budget Law in accordance with the procedures for the preparation of the general budget.
- 6- Following up on the evaluation of the performance of the programs, projects and activities of the chapters and making sure that they achieve the targeted results.

- 7- Giving opinion on draft legislations that have financial implications during their approval stage.
- 8- Giving advice to the Chapters in terms of financial matters and any other matters relevant to the tasks of GBD.
- 9- Present recommendations to the Cabinet on the final financial accounts of all government units before they are approved.
- 10-Coordinate with the Chapters to respond to the recommendations of the Upper and Lower Houses on Representatives and the Chiefs on the draft General Budget Law and the Draft Government Units' Budget Law.

B- The department shall perform the following to achieve its tasks: -

- 1-Revising budget allocation requests submitted by all Chapters and recommending decreasing or increasing to ensure their alignment with the public policy of the state and the medium term framework.
- 2-Requesting from all Chapters the needed data and information related to goals, programs, projects and activities and their financing.
- 3-Eliminating unnecessary duplications in the programs and funding among Chapters.
- 4-Reviewing all programs, projects, and activities requesting budget allocations in order to verify the priorities, feasibility and relevance of their requests.
- 5-Issuing periodic reports on the follow-up and evaluation of Chapter performance indicators and monitoring progress in achieving their objectives.
- 6- Reviewing all documents, correspondences and records of any Chapter (government department or unit) in order to prepare and execute its budget.
- 7- Reviewing and giving opinion on the budgets of all public universities and municipalities as well as any other government entity.

8- Planning and implementing outreach and awareness-raising campaigns targeting citizens and civil society institutions to provide information on the approved budget.

Article 8- For the purposes of preparing the general budget, the Ministry of Planning and International Cooperation shall assume the following tasks: -

- A- Preparing long-term strategic plans and comprehensive development programs and coordinating with the Department to ensure that the objectives, priorities and indicators contained in these plans are consistent with the programs and projects listed in the General Budget Law.
- B- Studying and analyzing new projects and initiatives through the competent unit in the Ministry of Planning and International Cooperation and submitting appropriate recommendations thereon to the Council of Ministers.
- C- Supplying the Department with expectations about developmental loans and grants for the budget's year and two subsequent years in accordance with a template and time frame established by the Minister.
- D- Coordinating with the Department when preparing sector support programs through donor-funded general budget.

Article 9- The Audit Bureau shall assume the tasks related to control on the implementation of the General Budget Law established by its applicable law.

Article 10- A- An Advisory Budget Council shall be constituted under the chairmanship of the Prime Minister and membership of: -

- 1- The Minister
- 2- The Minister of Industry and Trade
- 3- The Minister of Planning and International Cooperation
- 4- The Governor of the Central Bank
- 5- The President of Audit Bureau
- 6- The President of Civil Service Bureau

7- The Director General

B- The Advisory Council shall express its opinion on the dimensions of the general budget and its compatibility with national priorities before submitting the general budget law to the Council of Ministers.

Article 11- The medium-term financial framework reflects an overall macroeconomic policy image and financial policy and includes the following data: -

- A- Estimated macroeconomic indicators.
- B- Estimates of revenues and expenditure and deficit or surplus of the budget for the fiscal year two years prior to the budget year; re-estimates of the budget for the fiscal year preceding the budget year; and estimates for the budget year and for two following indicative years.
- C- The hypotheses on which these estimates and proposals are based to sustain financial stability in the Kingdom.
- D- Estimates of loans and grants.
- E- Expected financial impact of previously approved measures on income and expenditure.
- F- The public finance strategy including the public financial objectives, financial risks and procedures necessary to achieve financial stability.
- G- Comparison of estimates for macroeconomic and fiscal indicators in the framework.

Article 12- the General Budget Law includes the following: -

A-The general budget speech involving a brief of the national economy developments and expectations of the most prominent economic indicators and the medium-term financial framework summary, and a brief on the suggested government programs and their goals and targeted results and their alignment with national goals and priorities.

B- Provisions to ensure optimal implementation of the General Budget Law.

C- Summary for each budget chapter including: -

1-The vision, mission, strategic objectives and priorities that the chapter seeks to achieve over the medium term and the programs, projects and activities that achieve this

2- Quantitative and qualitative performance measurement indicators for follow-up and evaluation objectives.

D- Budget summary including income, expenditure and funding budget for the budget year.

E- Total estimated revenues for the budget year distributed by revenues chapters.

F-Total allocations for chapters for the budget year by chapters.

G- Actual statements for the fiscal year preceding the budget year two years and re-estimates of the budget for the fiscal year preceding the budget year, estimates for the budget year and for two subsequent indicative years, such data shall include:

1-Revenues according to the economic classification and any other classifications.

2-Current and capital expenditure according to the functional, economic and organizational classifications and any other classifications.

3- Budget Summary

4- Grants and loans and their spending

H-Capital expenditure

I-Details and public debt domestic and foreign

J- Tax expenditure estimations

K-Allocations estimated for woman and child distributed according to chapters.

Article 13- The General Budget Law provides for contingency expenditures in the budget of the Ministry to be spent by decision of the Council of Ministers on the basis of the Minister's placement based on the recommendation of the Director General expenditure is limited to unforeseen expenditures and emergencies, The use of contingency expenditures in the implementation of the General Budget Law should be explained through the introduction of detailed provisions for such expenditures in the Annual General Budget Law and reflected in the final accounts.

Article 14-In case of delay in the approval of the draft general budget law until the beginning of the new financial year, expenditure shall be by general financial orders in a percent of 1 to 12 for each month of the current and capital allocations in the budget of the previous year.

Article 15- The department shall after the dissemination of the General Budget Law in the official gazette issue an annual document called (Citizen's manual of the General Budget) to enable the citizen to get informed of the most key topics of the general budget law to enhance the principle of transparency in the preparation and implementation of the budget and its dissemination on the Department's website.

Article 16- No disbursement, expenditure or advance may be made for which no allowance has been made.

Article 17-A-All chapters shall follow the procedures and standards issued by the Ministry and the Department to implement the budget, and shall use computerized financial systems that facilitate this.

A- The Ministry shall follow up and monitor the implementation of the budget, and prepare related reports, provided that such reports include data on contingency expenditures, if any.

- B- The chapters shall provide the Ministry and the Department with financial documents and records relating to the implementation of the budget.
- C- The chapters shall be responsible for disbursement in accordance with general or special financial orders and collection of revenues in accordance with the legislations in force.
- D- The Department certifies monthly financial transfers to the Departments in accordance with the priorities and cash flow plan prepared by the Ministry.
- E- The Ministry establishes on a monthly basis monetary ceilings on current expenditure and capital for each government department on based on available liquidity and government priorities.
- F- No amount exceeding the allocations made in the General Budget Law may be obligated.
- G- No bid shall be forwarded in excess of the amount allocated to it in the General Budget Law except with the approval of the Minister on the basis of the Director General's placement in bids for a period of more than one year.

Article 18-

- A- The General Budget Law regulates the provisions for transfer of allocations.
- B- Allocations may be transferred from capital expenditure items to current expenditure items except by law.
- C- Allowances may not be transferred from (Compensations of Employees) Group in the current expenditure to any other group or vice versa and may be transferred between them, except for items (Additional Work Allowance) and (Transportation Allowance) and (Transport Allowance) and (Field Visit Allowance) and (Employees' Bonuses) where allocations may not be

transferred to these items and may be transferred from them and between them.

D-Allocations may not be transferred from (Compensations of employees) Group in the Capital Expenditure to any other group and vice versa, and may be transferred between them.

Article 19-A-Government Departments that receive any of the State's revenues shall supply them to the public treasury immediately and without delay under liability.

B-The government unit shall supply all revenues it receives for its revenues account within the Treasury Single Account and If the government unit receives revenues for the Public Treasury, it shall supply them for the Public Treasury Account.

C-No portion of the public treasury funds is allocated and no disbursement for any purpose of any kind is made except by law.

D-The Ministry shall be responsible for the public treasury account, including securing government departments with the necessary liquidity from this account.

E-The Ministry shall be responsible for the preparation of the final statements and the provision of transparency and full accountability for the operations related to the receipt of budget's revenues and disbursement of its expenditure.

Article 20- A-The Chapters shall be responsible for following up on their obligations, providing the Ministry with the necessary reports and regulating and verifying accounting records relating to their revenues and expenditures in accordance with the Financial Regulations, Internal Control Regulations and other legislation in force.

B- The Minister shall issue instructions setting out the accounting basis and basic principles in accordance with International Public Sector Accounting Standards.

C- The Minister may decide on the accounting financial systems to be used in the Chapters.

D-Government units are required to supply any financial surplus they have for the General Treasury. They may not retain or withhold any financial surpluses from them or convert them into rounded allocations or surpluses, in accordance with the applicable Financial Surpluses Law.

E- Before the end of the fiscal year, the Minister issues a circular to the chapters to close the disbursement to begin the preparation of the final statements.

Article 21-A- The Government Departments shall prepare monthly financial reports and submit them to the Ministry and the Department within 10 days following the end of each month. These reports should include amounts that have been overdue for more than 30 days.

B- The Government Units provide the Ministry and the Department with monthly financial position of their revenues and expenditures in accordance with the classification in the General Budget Law, the amount of cash in the Fund and the balances of their accounts with banks and the determination of any delayed payments for more than (30) days.

C- The government units shall provide the Council of Ministers and the Ministry with quarterly financial reports on the implementation of their budgets for the purpose of familiarizing them with their financial situations and monitoring their work within (30) days of the end of each quarter.

D- The government units shall provide the Ministry and the Department with financial statements for the ended fiscal year within three months of the beginning of the following fiscal year.

E-The chapters shall provide the Department with data on realized achievement ratios on performance indicators for strategic objectives and programs in accordance with the Department's template and time frame to

enable it to prepare the follow-up and evaluation report in accordance with the results-oriented budgeting concept.

F-All other public institutions and municipalities shall provide the Ministry and the Department with monthly reports on their revenues and expenditures, quarterly financial reports and financial statements for the ended fiscal year.

G- The wholly government-owned companies or its shareholders and government funds shall provide the Ministry and the Department with quarterly financial reports and financial lists for the year ended.

Article 22- A- The Ministry should publish monthly data on revenues and expenditure developments of the Chapters, other public institutions and municipalities, monthly data on public debt and publish quarterly and annual statements on the financial performance of chapters, other public institutions, municipalities and wholly owned or contributed to companies and government funds.

B- The Ministry shall prepare and publish a statement of cash flows and the Government's cash position within 20 days following the end of each month. The Minister shall set the timeframe for the publication of asset-related data.

C- The Ministry prepares a quarterly and semi-annual financial report each year. This report shall include a review of developments in the implementation of the general budget and public debt, highlighting economic developments and submitting it to the Council of Ministers and the parliament for information and dissemination to the public.

D- The Ministry shall publish annual data on the debt guaranteed by the Government together with the annual final accounts.

Article 23- Annual final accounts shall be submitted together with the report of the Audit Bureau to the Parliament within a period not exceeding six months from the date of expiration of that year and published to the public.

Article 24- A- Internal control units in the Chapters shall assume the internal control and audit over the financial, administrative and technical transactions in accordance with the provisions of the internal control bylaw and the instructions issued thereunder.

B- The Ministry monitors the commitment of internal control units in the Chapters to implement the provisions of the internal control system and the instructions issued thereunder.

Article 25- Without prejudice to any more severe penalty provided for in any other legislation, any person who contravenes the provisions of this law and the General Budget Law shall be punished by the penalties provided for in Articles (175), (182) and (183) of the Penal Code No. (16)of 1960, as amended.

Article 26- The Draft General Budget Law shall be prepared in accordance with the timetable for the budget preparation stages. The Council of Ministers shall, on the basis of the Minister's placement and for justified reasons, make any amendment to this schedule.

Article 27- A- The Council of Ministers shall issue the necessary regulations for the implementation of the provisions of this Law including regulations and instructions related to the development of the development's performance, institutional capacity-building and incentives for the employees of the Department.

B- The methods and mechanisms of publication provided for in this Law shall be determined by instructions issued by the Minister for this purpose.

Article 28- The Budget Organic Law No. (58) of 2008 shall be cancelled.

Article 29- The Prime Minister and the Ministers shall be designated to implement the provisions of this law.