

## Would the municipality or other entities conduct inspections for businesses operating from home?

Yes, if you intend to start a home-based business then you must sign an agreement to permit municipal employees or employees from other concerned entities to enter your home and conduct official inspections in order to:

- Ensure that you are adhering to legal requirements
- Ensure you are fulfilling public health and safety requirements
- Investigate any complaints

## Can home-based businesses hire employees?

Yes, home-based businesses are permitted to employ one other person to work with them inside the home. The total number of employees working from the home-based business must not exceed three, including the business owners.

## What are the social security requirements for home-based businesses?

As of August 2017, the Board of the Social Security Corporation decided to exempt home-based business from compulsory social security contribution/coverage.

Under the recent Social Security Law that expanded coverage to all business segments, home-based businesses would need to pay a social security amount of at least JOD 47 per month (based on the minimum wages of JOD 220 and a 21.75% social security contribution).

This compulsory payment would constitute a significant portion of home-based business earnings, so the exemption eliminates a fundamental barrier to business startups from home, and further incentivizes them to register as formal entities.

## What are the benefits of registering and licensing a home-based business?

-  Legal protections
-  Better bookkeeping systems and ability to keep track of your financial transactions
-  Being able to participate in bids and tenders
-  Easier access to finance and loans
-  Access to new markets and potential customers
-  Ability to receive financial and technical support from entities that offer it
-  Ability to receive social security benefits

# Licensing Businesses from Home

## in Greater Amman Municipality and municipalities in Jordan



The main goal behind issuing new regulations for home-based businesses, spearheaded by Greater Amman Municipality and the Ministry of Municipal Affairs, is to make it easier for entrepreneurs (including women and youth) to start small businesses, and to increase family incomes. This regulatory change allows the formalization of hundreds of home-based businesses throughout Jordan, granting them legal access to new and bigger markets.

## What are the main advantages of starting a business from home?



### Flexible working hours

Working from home gives you greater flexibility to work according to the hours that suit you most, especially for people with family responsibilities.



### Professional development

Starting a home-based business gives you the opportunity to try different ideas and tasks that will help you develop professionally and help your business to grow



### No commute needed

For many people, the daily commute is one of the biggest obstacles to their work. Starting a home business means that you will be saving money on transportation.



### Lower costs

A home-based business don't usually need major capital investments.



### Freedom to make decisions

You have more freedom to determine what ideas work before you make a significant investment in them

## What is the legislation on home-based businesses?

### Greater Amman Municipality:

- Vocational Licensing Law for Greater Amman Municipality (GAM)
- Buildings and Zonings Regulations for GAM
- Instructions for Home-Based Businesses 2017

### All other municipalities:

- Vocational Licensing Law for Municipalities
- Buildings and Zoning Regulations for Cities and Villages
- Instructions for Home-Based Businesses within Municipal Boundaries for the year 2017

## What sort of businesses can be licensed as home-based?

Per Article 4/C/3/A #69 for the year 2017, in the Buildings and Zoning Regulations for Cities and Villages and supplement (1) to Greater Amman Municipality Instructions for Licensing Home-Based Businesses (2017), there are 4 categories:



- **Intellectual** (such as consulting, research, architecture, interior design, translation, fashion design, etc.)



- **Handicrafts** (such as embroidery, candle-making, soap-making, etc.)



- **Food Processing** (home baking, cooking and food preservation such as pickling)



- **Domestic Services** (such as home maintenance services, plumbing, nursing, cleaning, etc.)

## What are the steps to getting a vocational license for a home-based business?

### 1. Registering the business as an individual establishment or a company.

The first step that aspiring business owners should do is register either an individual establishment at the Central Registration Directorate or a company at the Companies Control Department in the governorate in which they reside.

### 2. Applying for a vocational license

After registering your business, you need to apply for a vocation license from your local municipality. A municipal official will review the application and grant permission to start your business from home. This should take about three working days.

### What are the guidelines concerning home-based businesses?

- Businesses must exclusively practice the authorized business activities as per the vocational license
- Only 15% (or 25m2 as a maximum limit) of your home can be used as a customized space for your business
- No structural changes can be made inside your home or in your apartment building
- Not permitted to use any other spaces besides your home (such as garages or shared residential spaces)
- Not permitted to use any big outdoor signs on your house or building. You may place a small sign not larger than 15 cm x 5cm at the entrance of your home.