

# **Law No. 6 of 1994**

## **General Sales Tax Law**

### **Present Law**

#### **Article (1)**

This law shall be named general sales tax law No. 6 OF 1994 and shall be effective as from the date of its publication in the official Gazette.

### **Chapter 1**

#### **Preliminary Provisions**

##### **Article (2)**

The words and terms listed below shall have the following meanings, unless the context indicates otherwise:

Minister:	Minister of Finance
Minister concerned:	Minister of industry and Trade
Department:	The Customs Department
Director:	The Director General of Customs Dept.
Tax:	The General sales tax and the additional sales tax stipulated in this law
Person:	A natural or Juridical person.
Taxpayer:	Any manufacturer, trade or provider of a service whose sales have reached the limit for required registration according to the provisions of this law, or any importer of taxable goods or services regardless of the volume of such imports.
Goods:	Any manufactured product, whether local or imported
Services:	Any work performed by a person for payment that does not involve the provision of goods
Importer	A person who imports taxable goods, materials or services.
Service provider:	A person who provides or performs a taxable service
Registrant:	A taxpayer registered with the department in accordance with the provisions of this law.
Whole saler:	A person who sells taxable goods to third parties who in turn resell or process the goods purchased there from.
Retailer:	A person who sells purchased goods "as is" to the consumer
Inputs tax:	Tax already levied on raw materials or semi or fully-processed items used in producing other taxable goods.
Exempted goods:	Goods listed in the schedule of tax-exempt goods or those exempted in accordance with the provisions of this law.
Warehouse:	The place designated by the taxpayer for the storage of raw materials and other industrial inputs and used in processing any goods governed by the provisions of this law and registered with the department.
Storehouse:	The place designated by the taxpayer for the storage of processed goods immediately after they are produced and registered with the department.
Factory:	The place where goods are manufactured or processed.

Manufacturer: Any person who regularly engages in manufacturing activities, whether primary or secondary.

### **Article (3)**

Manufacturing shall be considered the conversion by various means of production into a new product by changing its form, components, nature or type.

Manufacturing shall be considered the result of chemical or blending operations, cutting, shaping or full or partial assembly, which produces changes in the substance or form of the inputs, regardless of whether some or all of such inputs are raw materials or fully or semi-manufactured, including assembly, filling and packaging as consistent with the preceding definition. The following are exceptions to this definition:

1. Operations limited to peeling, drying or similar primitive processing of agricultural products.
2. Packaging of agricultural products without processing
3. Packaging by retail stores when selling directly to the consumer
4. Installation of machinery and equipment used for building and construction purposes.

### **Article (4)**

#### **GST Implementation phases**

This Law shall be implemented in two phases:

#### **Phase One**

This phase shall be implemented from the date on which this law comes into force, requiring all manufacturers, importers and service providers to pay the GST or collecting and referring it to the department.

#### **Phase two:**

- A. Manufacturers, importers, service providers, wholesalers and retailers shall be required to pay the GST or to collect it for payment to the department.
- B. Phase II shall be implemented by a subsequent law issue for such purpose after a minimum period of five years following implementation of phase one.

## **Chapter 2**

### **Imposing GST and its Maturity**

#### **Article (5)**

- A. Locally manufactured or imported goods shall be taxable, with the exception of those exempted by special provision or by the terms of this law, or listed as exemptions in schedule (1) annexed to this law.
- B. Locally provided or imported services listed in schedule 4 annexed to this law shall be taxable, with the exception of those services subject to additional taxes in accordance with law No. 28 of 1989.
- C. For the purposes of this law, the customs tariff schedules and relevant notes shall be considered as a reference in determining the nomenclature of goods.

#### **Article (6)**

- A. Without prejudice to paragraphs B and C of this article:
  - 1. A general tax of 10 percent of the value of taxable local or imported goods and services shall be levied thereon.
  - 2. For the purposes of implementing the provisions of this law, a zero percent tax shall be applicable on goods and services exported, pursuant to conditions to be specified by the executory order.
- B. Subject to the provisions of paragraph © of this article:

The Cabinet may, upon the recommendation of the Minister, levy an additional sales tax on the imported goods listed in Schedule 5-A, at a rate equal to the reduction in customs duties granted, as compared to the percentages listed for that commodity in the Customs Duties Schedule at the time of implementing this law. Likewise, the Cabinet may, upon the recommendation of the Minister, levy a supplementary sales tax on similar local and imported goods listed in schedule 5-B, percentages in effect for those commodities at the time of implementing this law.

- C. The schedule listed below, shall be considered as an integral part of this law and shall not be amended except by subsequent laws,
  - 1. A schedule of tax-exempt goods-schedule 1
  - 2. A schedule of goods subject to a tax higher than the general tax rated, up to a maximum of 20 percent-schedule 2.
  - 3. A schedule of goods subject to other different taxes according to type, volume, weight or unit-Schedule 3.
  - 4. A schedule of taxable services – Schedule 4.
  - 5. A schedule of goods subject to the additional sales tax – Schedule 5.

### **Article (7)**

Notwithstanding the provision of this law, the council of Ministers may, upon a recommendation by the Minister, wholly or partially exempt any of the locally produced goods from the GST.

### **Article (8)**

Tax payers shall be required to account for, declare and remit the GST to the department within the time limits specified in this law.

### **Article (9)**

- (a) GST becomes due at the time goods or services are supplied in accordance with the provision of this law. GST becomes also due, in relation to imported goods, at the time they are released according to GST rates in effect on the date the Customs Declaration is registered, and shall be paid prior to the final release of goods pursuant to the Customs procedures, rules provided for in Custom Law shall, except as otherwise provided in this law, be applicable thereto.
- (b) For purposes of this law, a supply shall be treated as taking place when goods or service is transferred from the supplier (including importer) to the purchaser. A supply shall also be treated as taking place under this law when goods or services are used by a taxable person for his own purposes or others' whether or not for a consideration, or disposed in any legal transferring disposal.
- (c) A supply of goods services shall be treated as taking place at any of the following times which ever is sooner:
  - (1) When a GST invoice is issued
  - (2) When goods are delivered removed or service is performed
  - (3) When payment for goods or service is received, whether wholly or partially, or made on account or settlement of account, or credit, or otherwise by any means of payment made in accordance with various terms of payment.

### **Article (10)**

- (a) The following shall not be subject to GST:
  - (1) Goods and services exported from the free zones pursuant to conditions and securities as may be specified by regulations.
  - (2) Goods and services exported by current enterprises in the duty free zone, free cities and free shops.

GST shall not become due on goods and services imported by such enterprises as required to pursue duly licensed activities inside such duty free zones, free cities and free shops.

- (3) Goods passing in transit across the Kingdom

- (b) The following shall be subject to GST:

- (1) Taxable goods and services imported, by virtue of this law, from duty free zones, free cities and free shops for free domestic market.
- (2) Services, and goods manufactured by duty free zones' and cities' enterprises when released for free domestic market.

### **Article (11)**

Where an enterprises ceases or winds up the carry on of its activities in relation to any taxable goods, GST shall be payable on such goods that reverted to the legal successor, in title at the time of disposal unless such successor is registered or had himself then registered in accordance with the provisions of this law.

### **Article (12)**

Goods and services deemed to be contraband or in violation of the provisions of this law shall be subject to GST at the rates in effect on the date the contraband or violation occurred. Where it not be possible to determine such date, they shall be subject to GST at the rate in effect at the time the contraband or violation was apprehended.

## **Chapter 3**

### **Registration**

#### **Article (13)**

- (a) A manufacturing producer whose supplies of taxable manufactured goods has reached or exceeded the registration limit in the period of the fiscal year preceding the date on which this law shall come into force, as well as a service supplier of taxable services, whose consideration for such services has reached or exceeded that limit in that period, shall notify the department to have his name and particulars registered in the form prepared for this purpose within the time specified by the Minister for each of the two application phases of this law. An announcement in respect of the registration periods shall necessarily be publicized in the local daily press.
- (b) A natural person or legal entity that has become liable to be registered under each of the two application phases of this law, whose value of taxable supplies has reached or exceeded the registration limit in any fiscal year, or part of it, after the date on which this law came into force, shall complete the application form referred to above and submit it to the Department within the time prescribed by the Minister.

The provision of this law shall be applied to him with effect from the first day of the month following that in which his taxable supplies has reached or exceeded the limit. An importer shall also be required to apply for registration whatever is the amount of his imports except for those imported for his personal use.

- (c) The Department shall record the registration applications received by virtue of paragraph (a) above a special register prepared for this purpose after reviewing them and checking their accuracy. A certificate shall be handed thereof to every registered person.
- (d) A registered person shall notify the Department of any changes in the particulars contained in the registration form within 30 days of the date on which such changes occurred.
- (e) The registration form shall be prescribed by executive instructions, as well as the particulars to be contained therein, the conditions, rules, time limits, announcements and procedures in relation to registration, and the certificate to be issued thereof.

#### **Article (14)**

- (a) Registration limit shall be specified in a regulation issued by virtue of this law, provided that such limit does not exceed JD 100.000.
- (b) A person who is not liable to be registered under paragraph (a) or (b) of Article (13) above may voluntary apply to the Department to have his name and particulars registered in accordance with the conditions and situations prescribed by implementing instructions. He shall, if so registered, be treated as a registered person governed by the provisions of this law.
- (c) A person whose supplies of goods or services are below the registration limit and has not applied for voluntarily registration shall be exempted from tax.

#### **Sixth: Supplementary provisions for registration**

## **Chapter 4**

### **Determination and Declaration of Value**

#### **Article (15)**

- (a) The Value to be declared and taken as a base value for charging GST in relation to taxable supplies shall be the real value representing the price actually paid for such supplies. The Department may verify the price as it deems appropriate and may, for this purpose, ask the supplier to provide contracts and other documents and vouchers relating to the supply of goods or services.
- (b) The chargeable value relation to imported goods shall be the Customs value taken as basis for charging customs duties, fixed in Tariff Schedules, and other taxes and charges levied on such goods prior to their release from the Customs Houses, adding thereto the duties, taxes and charges, whether or not such goods are totally or partially exempted from such duties, taxes or charges pursuant to any agreement.
- (c) The provisions of this Article shall apply to smuggled or contraband goods, and local goods and services on which the payment of GST has been evaded or that in violation of the provisions of this law.

#### **Article (16)**

- (a) Without prejudice the provisions of paragraph (b) of this Article:

A registrant shall submit to the Department a 2-month GST Declaration of his sales and the value those of GST payable thereon, on the form prepared for this purpose, within the 30days of the end of the accounting period. The Director, or his deputy, may, however, extend that period to 30 days further as deemed necessary. The provisions of this paragraph relating to the submission of GST Declaration shall be applicable to any accounting period during which no supplies has been made by the registrant.

- (b) In relation to the specific GST, registrant person shall submit a one-month GST Declaration of his supplies, its value and the specific GST payable thereon on the form prepared for this purpose within a period of 3 weeks from the end of the accounting period.
- (c) Where a registered has failed to furnish any GST Declaration in respect to any prescribed accounting period as stated in paragraph (a),(b) above, then the Department shall assess the amount of GST due from him in that period, illustrating the grounds on which such assessment has been made, provided that such action does not affect the right of the registrant person to appeal against that assessment to the Department or to the court within 30 days of the date on which that assessment was notified to the registered person in accordance with the provisions of paragraph (b), of Article(17) of this law.

#### **Article (17)**

- (a) The Director, or the mandatory there of, may modify the GST Declaration, submitted by the registrant, by a decision illustrating the grounds of modification, such decision shall be notified to the registrant. A declaration shall be deemed to be final if amended in a period of one year of the date on which it was submitted, unless it was established to the Department that the registrant had committed any of the tax evasion offenses provided for in this law.

- (b) A registrant may appeal to the Director within 30 days of the date in which he was notified with the amended decision. The Director shall decide on such object within 30 days of the date in which it was submitted.  
Where that appeal is rejected or not decided, the registrant may resort to the court within 60 days of the date on which objection was first submitted.
- (c) The assessment made by the Department shall be final and not subject to contest or appeal before any administrative or judicial authority if not objected within the period mentioned in paragraph (b) above.
- (d) The Director may force committees to consider appeals submitted to him by virtue of this Article; such committees may seek help of competent and experienced people and make the analysis as may be required. The Director shall issue implementing regulations specifying the number of these committees, their formation and performance.
- (e) GST shall be added to the price of goods or services including these with fixed prices and given margins. For this purpose it shall be required that the price contracted for goods or services be mandatorily adjusted so that it becomes GST inclusive price where the newly charged GST is added to the price and be binding to the two contracting parties in both public and private sector with effect from the due date of the GST, provided that offsetting is made against consumption tax, if existed.

## **Chapter 5**

### **Invoices and Records**

#### **Article (18)**

A. Registrant must:

1. Prepare a GST invoice in the form determined by the Director, covering the sales of taxable goods sold or services rendered, in accordance with the provisions of this law.
2. Keep regular records and accounting books in which the registrant shall record operations completed. Records and invoices referred to in item (1) of this paragraph shall be retained for at least five years following the fiscal year during which such records were posted.

- B. The implementing instructions shall specify the scope, rules, procedures, records and any alternative methods such as computer printouts or invoices to be retained by a registrant, particulars to be set down therein and documents that must be retained.
- C. The Minister may, in accordance with the implementing instructions, in certain cases and for justified reasons, exempt certain categories of taxpayers from the provisions of sub-paragraph (1) of this Article.



## **Chapter 6**

### **Article (19)**

Declaration and refund.

When computing GST a registrant may deduct the following from the amount payable on sales, in accordance with the terms and procedures specified in the implementing instructions:

1. GST paid or computed on returned sales.
2. GST charged to production inputs, including services and spare parts for industrial machinery used to produce taxable goods, up to a limit of 3 percent per year of the value of said machinery.
3. taxes previously charged on goods by the registrant at each stage of distribution .

### **Article (20)**

GST shall be refunded on the terms and conditions, and to the extent specified in the implementing instructions issued for such purpose, no later than three months following date of application, in the following cases:

1. GST previously collected on goods exported “as is” or on goods used in the manufacturing of other goods that were exported.
- b) GST collected by mistake.

## **Chapter 7**

### **Exemptions**

#### **Article (21)**

The following shall be exempted from GST:

- a) His Majesty the King
- b) Procurements from the local market or imports for the armed force, public security service, civil defense, intelligence services and customs of arms, munitions, transportation, spare parts, tires and any other material the Council of Ministers agrees shall be imported or procured tax-free for the account of the entities described in this paragraph.
- c) Items exempted from customs duties, fees and other taxes by virtue of the Investment Promotion Law.
- d) Any goods or persons the Cabinet decides to wholly or partially exempt, in specific cases and on justifiable grounds, upon the recommendation of the Minister.
- e) Items imported or local procurements for mosques, churches, orphanages and senior or handicapped citizens for their own use.

#### **Article (22)**

- a) Subject to reciprocity, and upon the recommendation of the Foreign Minister, items imported or local procurements for embassies, legations and regular consulates for their official use; and items imported or local procurements for the personal use of non-Jordanian diplomatic and consular staff active in a non-honorary capacity and accredited by the Kingdom, shall be exempted from GST.
- b) Imports and local procurements for international and regional organizations operating in the Kingdom and their non-Jordanian staff who enjoy diplomatic status shall be exempted from GST.
- c) The magnitude and types of exemptions stipulated in paragraphs (a) and (b) of this article shall be determined by a decision of the Minister of Finance, upon agreement of the Minister of Foreign Affairs.

### **Article (23)**

The following shall be exempted from GST, in accordance with the extent, terms and conditions specified in the implementing instructions:

- a) Specimens used for laboratory analysis, subject to their quantities being consistent with analysis requirements and approved technical practice.
- b) Personal item of no commercial value such as decorations, medals and sports and scientific awards.
- c) Materials brought in from outside the Kingdom to replace unserviceable items or shortages previously imported, but delivery of which was not taken, on which full GST had been collected at the time, subject to verification of such condition by the Customs Department.
- d) Personal effects of travelers arriving from abroad, as well as used furniture to the extent and subject to conditions specified in the customs law currently in force for persons residing permanently in the Kingdom.
- e) Items exported after GST was paid on them, which were subsequently reimported within the period specified in the Customs law, subject to verification by the Customs Department.

### **Article (24)**

Notwithstanding provisions in other laws concerning tax exemptions, such exemptions shall not be applicable to GST except as stipulated by this law.

### **Article (25)**

- a) Without prejudice to the provisions of paragraph (b) of this article, should the disposal of any tax-exempt goods be effected or should they be used for purposes other than those exempted within a period of five years following on such exemption, the GST due on such goods shall be paid according to the value and the GST rate in effect on the date of disposal.
- b) Automobiles shall be subject to the tax assessed, once they are put to use locally and customs duties are paid on them, regardless of the time period involved.

## **Chapter 8**

### **Collection of GST**

#### **Article (26)**

Registrants shall effect payment of GST periodically to the department on the basis of a tax return of amended return, in accordance with the provisions of this law and within the time frame stipulated in article 16 of this law, and in compliance with the rules and procedures specified in the implementing instructions.

If the GST due on taxable goods is not paid within the stipulated period of time, a fine of 2 percent shall be imposed for each month or partial month of the delay, in addition to the penalties stipulated by article 32 and 35 of the original law. Payment of said fines and penalties shall be effected together with the GST payment and the same procedures shall apply.

GST shall be payable on imported goods when they are cleared through customs, in accordance with the procedures prescribed for the payment of customs duties. Final clearance of such goods shall not be granted until the full payment of GST has been verified.

#### **Article (27)**

- (a) If the GST due is not paid within the period stipulated by this law, the Director or his deputy shall write to taxpayer requesting him to pay the GST due within fifteen days following the date of notification.
- (b) If payment is not made within that period, the Director may issue an order to have it collected, which shall be communicated to the taxpayer by the duly authorized official. Should it be, for any reason, impossible to notify it to the taxpayer, the order shall be published in one or more daily newspapers and at the cost of taxpayer.
- (c) If the GST is not paid within seven days following the date of notification or publication of the collection order, the Director shall proceed to apply the provisions of the law of the Collection of State Funds currently in force, in such case the Director shall exercise all the authorities vested in the administrative governor and the committee for the collection of state funds, as stipulated in that law.
- (d) Notification of the collection order shall be legally valid if communicated to the manager of the tax-paying enterprise, one of the partners, or whoever is authorized to manage it. In the case of natural persons, notification shall be in compliance with the law of civil proceedings.

## **Chapter 9**

### **Control**

#### **Article (28)**

- (a) The Director and Department officials duly authorized by the Director in writing shall be considered vested with the power of arrest to the extent of their authority.
- (b) The official authorities concerned shall provide all necessary assistance to enable Department staff to carry out their tasks.

#### **Article (29)**

- (a) Anyone performing official duties in implementing of this law shall consider as secret and confidential all documents, information, statements, production and manufacturing techniques, as well as any other information relating too this law or execution of its provisions, and shall treat such information accordingly.
- (b) The Department shall be entitled to exchange information with Ministries, Government agencies, and official bodies for the purpose of implementing the provisions of this law and other laws in force.

#### **Article (30)**

- (a) A duly authorized department executive shall exercise control over taxable operations, production sales of goods and providing services, and shall examine and audit all records and entries relating thereto. Executives in enterprises concerned are expected to facilitate his task. He may collect specimens of goods for analysis and may seek the help of qualified persons in performing his functions.
- (b) Should it be required, for any case in which a department official is performing his duties, that inspection be made for production and sales operation due to likelihood of fraud or violating of the provision of this law, such operations shall not be undertaken without a special search warrant to be issued by the Director on a case by case basis. In such case the official shall retain relevant records and entries for a maximum period of six months and, in the case of goods, for a maximum of three weeks following the date on which the taxpayer shall have presented all documents required.
- (c) Residential premises may not be searched except in accordance with the procedures stipulated in the law of criminal proceedings, and only if sufficient evidence is available.

#### **Article (31)**

Control shall be carried out by indirect supervision of accounts or other automatic methods, although the Minister may order direct control if he considers it necessary. The implementing instructions shall determine the form and limits of control over factories, workshops and commercial places, subject to the discretion of the minister.

**Chapter 10**  
**Crimes and Penalties**  
**Article (32)**

Except in cases that are deemed to constitute tax evasion as stipulated by this law, any person committing one of the following misdemeanors shall be subject to a fine of no less than JD 100 and no more than JD 500, in addition to payment of the GST due.

- (a) Delays for a period not exceeding 30 days in submitting the return provided for in this law and payment of GST within the period specified therein.
- (b) Submission of erroneous information on sales of taxable goods and services, if the increase does not exceed 10 percent of the amounts declared in the return.
- (c) Violation of the provision of Article 10 of this law.
- (d) A shortage or surplus of more than 5 percent but not exceeding 10 percent of goods stored in free areas or zones.
- (e) Failure to notify the Department with the changes in the information contained in the registration application within the prescribed period of time.
- (f) Failure to enable Department officials to carry out their duties or perform their control and inspection function.
- (g) Final operation of factories and workshop producing taxable goods without notifying the Department.
- (h) Registrant's failure to furnish a copy of the license to the Department within the scheduled time limit.
- (i) Registrant's failure to notify the Department of total or partial stoppage of work.
- (j) Registrant's failure to report goods and services with a value of less than JD 100 which were for his own personal use or benefit.

**Article (33)**

The Director or his deputy shall arrange for reconciliation in the case of misdemeanors provided for in Article (32/a) against payment of GST when due and a fine of no less than JD 50 and no more than JD 100, before a final ruling is handed down by a court of law.

Reconciliation shall result in lapsing of the relevant plea, ceasing the proceedings and canceling all subsequent effects.

**Article (34)**

The following shall be deemed to constitute tax evasion punishable by the penalties provided for in Article 35 of this law:

- (a) Delays in submission of the registration application to the Department for a period not exceeding 15 days after the elapsing of the period specified by the minister pursuant to the provisions of this law.
- (b) Sales of goods or furnishing of services without submitting returns and payment of GST.
- (c) Wholly or partially discounting GST in a manner violating the provisions of this law.

- (d) Submission of forged or fictitious documents and records, or inaccurate information to evade payment of GST or to recover it wholly or partially.

### **Article (35)**

The penalties for tax evasion shall be as follows:

- (a) A punitive fine of no less than JD 200 and no more than JD 1000 for a first offense.
- (b) In case of repeated offense the punitive fine shall be doubled, and should there be a further offense within one year, the court may order the maximum punitive fine and or imprisonment for a period of no less than three and no more than six months.
- (c) A civil compensation fine payable to the department of no less than twice and no more than triple the amount of the evaded GST.

### **Article (36)**

The Minister or the mandatory thereof may arrange for reconciliation in the case of GST evasion against payment of the contested GST and a fine as civil compensation equivalent to twice the amount of taxes due, before a final ruling is made by a court of law.

Reconciliation shall result in lapsing of the relevant plea, cessation of proceedings and cancellation of all subsequent consequences.

- (d) Possession of the contraband goods or goods considered quasi-contraband in accordance with the provisions of the Customs Law.
- (e) Submission of a sales return that shows a reduction of more than 10 percent of the real value of sales.
- (f) Submission of a sales return that shows a reduction of more than 10 percent of the real value of sales.
- (g) Increase or decrease of goods in free zones and markets in excess of 10 percent for unjustifiable reasons.
- (h) Registrant's failure to issue GST invoices for sales of taxable sales and services or making out factitious invoices.
- (i) Registrant's failure to report goods and services for own use or which were used for personal purposes at a value of more than JD 100.
- (j) Elapse of more than 30 days following termination of the periods scheduled for submission of the return and payment of GST.
- (k) Collection of unwarranted GST and non-payment to the Department.
- (l) Possession of taxable goods for trading purposes with the knowledge that the GST due has not been paid.
- (m) Disposal of any tax-exempt good or using them for purposes other than those for which they were exempted in a manner violating the provisions of article 25 of this law.

## **Chapter 11**

### **Article (37)**

- (a) The customs Court of first instance shall be competent to consider all felonies provided for in this law as well as the regulations and implementing instructions enacted pursuant to it. The court shall have the right of detention and release for such felonies and shall examine legal issues arising out of implementing the provisions of this law.
- (b) Suit shall be filed in the felonies provided for paragraph (a) of this Article upon the request of the Director.
- (c) The Customs Court of first instance shall not consider any plea against the Department relating to GST and fines unless the plaintiff pays the full amount due and a bail bond covering the disputed amount. A fine amounting to the equivalent of 10 percent per annum of the disputed amount shall be payable when a ruling is handed down and it is proved that the plaintiff's plea is not justified, such payment being for the period from commencement of the dispute until full payment is effected.

### **Article (38)**

- (a) Rulings of the Customs Court of first instance may be appealed to the Customs Court of Appeals upon posting bail equivalent to the amount assessed by the earlier court. Rulings by the Court of Appeals shall be final and binding.
- (b) Rulings by the Court of appeals on legal pleas may be heard by the Court of Cassation (Supreme Court):
  - (1) In cases where the amount ruled is no less than JD 1000.
  - (2) If the controversy over previous ruling revolves around an innovative legal point, special complexity or involve a matter of general importance, and if the Customs Court of Appeals so agrees. The case for cassation shall be filed within ten days following notification of the Customs Court of Appeal's ruling.
  - (3) If the Customs Court of appeals refuses to permit cassation, the appellant shall have the right to request such permission from the Chief Justice of the Court of cassation within ten days following notification of refusal of permission.
  - (4) If the Customs Court of appeals or the chief justice of the Court of cassation hands down a ruling granting such permission, the appellant shall file the cassation plea within ten days following notification of such permission.
- (c) The role of the public prosecutor in hearings relating to GST by the Customs Courts of first instance, appeals and cassation and other courts shall be assumed by members of the Customs Public Prosecutor's staff, who shall have the right to investigate, argue, appeal and seek cassation of rulings made in such cases.

### **Article (39)**

- (a) The Customs Court of first instance and the Customs Court of Appeals shall apply the legal hearing procedures stipulated by the laws on penal and civil hearing procedures, within the limits of and without prejudice to the provisions of the current law.

- (b) The provisions of this law shall apply to smuggled goods in the country or brought in by other illegal means, and to persons who commit any of the infractions referred to in the customs law and resulting in the non-payment of taxes due, which shall be subjected to the penalties stipulated by this law.



## **Chapter 12**

### **Execution**

#### **Article (40)**

- (a) The Director General shall issue order to collect fines in cases where a reconciliation is arranged in accordance with the provisions of this law. These orders shall be communicated to all concerned parties in accordance with the notification procedures provided for in this law, and such fines shall be payable within thirty days following notification.
- (b) Fines ordered by the Courts and those stipulated under paragraph (a) of this Article shall be collected in accordance with the collection procedures stipulated in Article (27) of this law.
- (c) Fines for evasion offenses pursuant to the provisions of this law shall be considered civil indemnification of the Department and shall not be governed by the provisions of the law and general amnesty.
- (d) The Department shall have the right to sell any abandoned goods after six months, if no claim is filed for them during that period, at sales price net of GST due, fines and other expenses, If any shall be held in trust by the Department on behalf of their owners.
- (e) Notwithstanding the provision of paragraph (d) of the Article, the Department shall have the right to sell disputed perishable goods, holding the price in trust pending settlement of the dispute in question.

#### **Article (41)**

A fund shall be established in the Administration to which a percentage not exceeding 20 percent of the proceeds of fines shall be credited, for the purposes of improving working conditions, enhancing Department staff efficiency and providing health, cultural, social and housing services as well as incentives for outstanding performance, and for all who have been instrumental in revealing any GST evasion or have apprehended contraband goods; regulations governing such action shall be enacted.

## **Chapter 13**

### **Service Allowances**

#### **Article (42)**

The Minister shall issue directives specifying the amounts to be paid by taxpayers for publication, stamp duty, distinguishing markings and fees for analysis.

## **Chapter 14**

### **Statute of Limitations for Pleas and Debt Lapse**

#### **Article (43)**

- (a) No claim or plea to recover GST or fines paid shall be considered after a period of three years has elapsed.
- (b) The Department shall not claim GST and fines payable in accordance with the provisions of this law, after a period of five years has elapsed since the date on which they fell due, unless there are legitimate reasons preventing such claim from being made during this period.

#### **Article (44)**

- (a) Action at law concerning offenses and misdemeanors described by this law shall lapse once three years have elapsed since their occurrence, if no follow-through action has been taken.
- (b) Penalties ordered in accordance with this law shall lapse if not executed within five years following sentencing, or notification in case of a ruling in absentia.
- (c) The Department's financial rights confirmed by a court ruling or admission by the taxpayer shall not lapse with time.

## **Chapter 15**

### **General Provisions**

#### **Article (45)**

- (a) The GST payable on goods that the Customs Department agrees to release provisionally shall be guaranteed by bank guaranty or any other guarantees determined by the Minister, until such time as the provision nature is terminated.
- (b) Goods that the Customs Department agrees to put local consumption shall require payment of GST at the rates in force on the day of such release.
- (c) If the materials accepted for provisional release constitute production inputs for taxable local goods, GST shall be payable on such goods when released for local consumption. Entries for provision release shall be in accordance with a formula drawn up by a committee constituted by the Director for such purpose.

#### **Article (46)**

- (a) The Ministry of Industry and Trade shall provide the Department with copies of the Ministry's manufacturing and service registration documents for project sponsors who wish to produce goods or provide services.
- (b) Producers of goods or providers of services shall provide the Department with a copy of the license issued to them within 30 days of being granted such license, giving a description of the goods to be produced to the services to be offered.
- (c) Procedures of goods or suppliers of services shall notify the Department of all total or partial stoppage of work within one week following such stoppage.

#### **Article (47)**

The Director may postpone payment of GST due from any taxpayer producing local goods, for a period not exceeding 30 days beyond the date due, against a bank guarantee or any other guarantee to be specified by the Minister and in accordance with the conditions determined by the Director to justify such postponement.

#### **Article (48)**

Administration, collection and control centers shall be established or dismantled by decree of the Minister, upon the recommendation of the Director.

#### **Article (49)**

The Cabinet shall issue the necessary regulations to implement the provisions of this law.

#### **Article (50)**

The implementing instructions stipulated by this law shall be issued by the Minister and published in the Official Gazette specifying the effective date on which each shall come into force.

### **Article (51)**

Law No. 34 of 1988 on consumption taxes is hereby repealed.

### **Article (52)**

The Prime Minister and the other Ministers shall be entrusted with the implementation of the provisions of this law.

## Schedule 1

### Attached to General Sales Tax law No. 6 of 1994 As Amended by law No. 15 of 1995 Goods Exempted from GST

- 1- Edible meats, offal and limbs, whether fresh, refrigerated, frozen salted or preserved in brine, processed meats, fish mollusca or other aquatic invertebrates.
  - 2- Fish, crustaceans and other aquatic invertebrates, whether fresh, refrigerated, frozen, dried, salted, preserved in brine or smoked.
  - 3- Milk and diary products.
  - 4- Honey.
  - 5- Processed foods for infants or the handicapped.
  - 6- Dates.
  - 7- Tea of all types.
  - 8- Coffee.
  - 9- Cereals, hulled or otherwise processed.
  - 10- Cereals flower, meal.
  - 11- Crushed grains and semolina.
  - 12- Bulgur.
  - 13- Vegetable and animal fats.
  - 14- Vegetable oils, including olive oil.
  - 15- Sugar.
  - 16- Tomato paste.
  - 17- Sesame – seed meal, unsweetened.
  - 18- Macaroni, Vermicelli.
  - 19- Bread, pies, cakes, and other ordinary bakery products.
  - 20- Table Salt.
  - 21- Hay, fodder, food industry leftovers, and animal food.
  - 22- Grains, fruits, kernels prepared for planting, even if preserved or canned.
  - 23- Phosphate.
  - 24- Crude sandstone, grsvel, rock crushed or pulverized to be used for concrete and for paving roads, limestone and calcic materials used to make lime and cement.
  - 25- Asphalt mixtures, cement mixtures.
  - 26- \* Bricks and cement or cinder block (produced locally and imported). \* (2)
- (2) Imported goods exempted by Presidential Decree No. 12/11/2/9536 of October 22, 1995.
- 27- Crude oil greases and derivatives, oil gases, petroleum jelly, oil Cole, natural asphalt and tar (excluding lubricant materials consisting of lubricating oils and additives).
  - 28- Gold in all forms, jewelry and ornaments made of gold and other precious metals, precious stones.
  - 29- Pharmaceutical; medical, surgical, dental, and veterinary instruments equipment, and furnishings, including diagnostic equipment, dedical lenses, x-ray machines, and all other medical equipment.
  - 30- Fertilizer of all kinds.
  - 31- Potash.
  - 32- Pesticides, fungicides, herbicides, rodent poisons, detergents, plant growth stoppers, plant growth regulators, and other similar products.

- 33- Plastic covers for agricultural use.
- 34- Packaging containers for agricultural products.
- 35- School notebook, university lecture notebooks, school bags, ball pens, pencils, crayons, erasers, pencil sharpeners, geometry cases, and rules.
- 36- Seedling trays used in agriculture.
- 37- Paper and reinforced paper used for writing or printing.
- 38- Books, publications, newspapers, magazines and printed or illustrate periodicals containing advertisements.
- 39- Locally produced clothing and shows; used clothing and shoes.
- 40- Processed asbestos fibers, asbestos-based or magnesium carbonate mixtures, products made from these or similar mixtures; fiberglass and its products (produced locally), including locally – produced or imported rock wool \* (2).
- 41- Plastic shelters, locally - produced or imported \* (2),
- 42- Kerosene or gas-operated heaters, locally - produced or imported \* (2).
- 43- Agricultural tractors; seeding, planting, and transplanting machines, ploughs, scopps, shovels, shears, putting scissors, weed cutters, and other manual agricultural tool and equipment; machines, equipment, and instruments for reaping, harvesting, or threshing agricultural crops, including hay and fodder pressers, weed or grass cutters; products; machinery used in framing, gardening, forestry and for raising poultry and bees; bird and poultry hatching and incubating equipment; milking equipment..
- 44- Bee-raising instruments and equipment.
- 45- Water pumps, submersible pumps, and water-well pumps.

(1) Amended by Article 15-Part One of Law No. 15 of 1995.

- 46- \* Bulldozers, graders, scrapers, mechanical shovels, excavators, self-propelled rollers, and other similar equipment for leveling, moving or excavating earth, metals or raw materials; stake-driving and stake-removing machines, snowplows; equipment listed under item 29/84 in the customs tariff schedules \*(1).
- 47- Ambulances, specially designed hearses, fire engines, hand - operated vehicles without pedals for use by disabled persons.
- 48- Locally produced furniture.
- 49- Items exempted by the Investment Promotion Law.
- 50- Fire fighting equipment, alarms, and air and liquid purification equipment used for environmental protections.
- 51- Concrete and asphalt mixers, asphalt rollers, stone crushers, coarse sieves, and conveyer belts.
- 52- \* Locally - produced and imported infant diapers \*(2)
- 53- Locally - produced \* (1) and imported \*(2) potato chips and similar snacks.
- 54- Woolen blankets, covers, and mattresses, quilts, and towels (produced locally).
- 55- \* Productions inputs for the manufacture of equipment \*(1).
- 56- \* Laboratory equipment \* (1).
- 57- \* Paper and metal money \*(1).
- 58- \* Production inputs for the manufacture of fertilizers and insecticides \*(1).
- 59- \* Production inputs for the manufacture of animal fodder \*(1).
- 60- \* Industrial machinery and equipment exempted by the customs tariff schedules \*(1).
- 61- \* Imported rubber for manufacture and retreating of tires by factories that are officially authorized for this purpose \*(1).
- 62- Molasses for use in produced yeast \*(1).
- 63- \* Yeast and locally produced bread products \*(1).

- 64- Quicklime and neutral lime, sand-lime bricks, locally produced \*(1).
- 65- \* Production inputs for the manufacture of animal fodder \*(1).
- 66- \* Industrial machinery and equipment exempted by the customs tariff schedules \*(1).
- 67- \* Imported rubber for manufacture and retreating of tires by factories that are officially authorized for this purpose \*(1).
- 68- \* Molasses for use in producing yeast \*(1).
- 69- Yeast and locally produced bread products \*(1).

(2) Imported items exempted by Presidential Decree No. 12/11/2/9536 of October 22

- 70- \* Quicklime and neutral lime, sand-lime, sand-lime bricks, locally produced \*(1).
- 71- Stoves and related accessories, locally produced \*(1).
- 72- Dried legumes, treated, including; peas, chickpeas, broad beans, lentils, etc, locally produced \*(1).
- 73- \* Egg products, produced locally \*(1).
- 74- \* Sun-powered water heaters, locally produced \*(1),
- 75- \* Insulating and reinforcing materials for construction, locally produced \*(1).
- 76- \* Locally produced/illegible/fabrics \*(1).
- 77- \* Locally produced ground spices, herbs, etc. \*(1).
- 78- \* Asphalt products of all types \*(1),
- 79- \* Equipment and vehicles for spreading tar on roads \*(1).
- 80- \* Traditional Middle Eastern Sweets, not including caks \*(1).
- 81- \* Plastic fencing materials \*(1).
- 82- \* Agricultural mulch and plastic irrigation equipment, locally produced \*(1).
- 83- \* Production inputs for dairy product, including plastic containers \*(1).