

This is a translation in progress.
Not an official translation

Law No. () For The Year 1999
A Law Amending the Customs Law

Article (1):

This Law shall be named (The Law Amending the Customs Law for the year 1999) and shall be read in conjunction with the Law No. (20) for the year 1998 and its amendments, referred to hereinafter as the Original Law. This Law shall come into force as of the date of its publication in the Official Gazette.

Article (2):

Article (2) of the Original Law shall be amended as follows:

First: by adding the following phrases to the meanings designated after the definition of the phrase (Ascertained Prohibited Goods):

Rules of origin:

The rules used to determine the origin of the goods pursuant to the provisions of this Law or international agreements to which the Kingdom is a party.

The value of the goods at the ex-factory level (for purposes of the rules of origin):

The actual price paid or payable for goods at the ex-factory level less the amount of duties or any other taxes refunded or refundable upon the exportation of the goods.

The value added (for purposes of the rules of origin):

The value of the goods at the ex-factory level less the customs value for all the foreign inputs used in the production of the goods.

Second: By repealing the meanings designated for the terms "**identical goods**" and "**similar goods**" and replacing them with the following:

Identical goods: Goods, which are the same as the goods, being valued in all respects, including physical characteristics, quality and reputation. Minor discrepancies in appearance shall not exclude goods otherwise conforming to the definition from being regarded as identical;

Goods shall not be regarded as "identical" unless they were produced in the same country as the goods being valued.

Similar goods: Goods, which although not alike in all respects, have like characteristics and component materials to the goods being valued, which enable them to perform the same functions and to be commercially interchangeable. The quality of the goods, reputation and trademarks shall be taken into account in determining whether goods are similar,

Goods shall not be regarded as "similar" unless they were produced in the same country as the goods being valued.

This is a translation in progress.
Not an official translation

Article (3):

Article (12) of the Original Law shall be amended by considering the text therein as Paragraph (A) and adding Paragraph (B) as follows:

- B- Goods imported from a source other than the country of origin, and which are put up for domestic consumption in the source, shall be subject either to the customs tariffs applicable to the goods from the source, or to tariffs applicable to goods from the origin, whichever is higher.

Article (4):

Article (15) of the Original Law shall be repealed and replaced with the following text:

Article (15): Upon decisions issued by the competent authority pursuant to the Laws and Regulations in force, the Customs Department shall:

- 1 – collect or refund anti-dumping and countervailing duties imposed on certain imported goods from certain countries in due time;
- 2 – take necessary measures, including the imposition of import quotas, to counteract measures taken by other countries harmful to the national economy.

Article (5):

Article (24) of the Original Law shall be repealed and replaced with the following text:

Article (24): The origin of imported goods is the country in which the goods are obtained or produced and which shall be determined according to the following criteria:

- A- Goods are considered to be of origin of a given country if obtained wholly in the said country, which shall include the following:
1. Mineral products extracted from the soil, territorial waters, or seabed of the said country.
 2. Vegetable products harvested or gathered in that country.
 3. Live animals born and raised in that country.
 4. Products obtained from live animals in that country.
 5. Fishing or hunting products of that country.
 6. Maritime fishing products and other products obtained from the sea, outside a country's territorial water, by means of fishing boats registered in, and raising the said country's flag.
 7. Goods produced or procured aboard manufacturing ships from amongst the goods listed in sub-paragraph (6) of this Article, and whose origin is the aforementioned country, provided such ships are registered in the said country, and raise its flag.
 8. Products taken from the seabed or the subsoil thereof outside territorial waters provided that the country has special rights to exploit the seabed or its subsoil.

This is a translation in progress.
Not an official translation

9. Items produced from the wastes of manufacturing processes and raw materials used therein, provided the wastes are collected there, and are fit only to be recovered as raw materials.

10. Goods produced in the said country exclusively from goods referred to in sub-paragraphs (1 to 9) or from the derivatives thereof, and at any production stage.

B- Goods are considered to be of origin of a particular country if they are wholly produced in that country from materials resulting from a process of substantial transformation carried out therein, in accordance with paragraph (C) of this Article.

C- The origin of goods produced by more than one country shall be the country where the last substantial transformation occurred. Transformation shall be considered substantial in the following cases:

1. If there is a change in the tariff classification of the goods, - which consists of six digits- from the classification of each of its components and;
2. If the added value is at least equal to 40 % of the value of the good at the ex-factory level.

4th- Notwithstanding what is stated in clause (1) of this Paragraph, the change in customs classification as a result of one or more of the operations provided for in Paragraph (A) of Article (25) of this Law shall not be considered substantial transformation.

Article (6):

Article (25) of the Original Law shall be repealed and replaced with the following text:

Article (25):

A- The following operations, whether carried out separately or together shall not be considered as substantial transformation:

1. Operations carried out to insure that the products are preserved in good condition during transport or storage.
2. Operations carried out to facilitate shipment of goods or transportation thereof.
3. Operations carried out to package goods or to prepare the goods for sale.
4. Simple operations on goods, namely: ventilation, spreading out, drying, cooling, removal of damaged parts, greasing or rust removal, adding a coat of paint to protect against natural elements, removal of rust, washing, cleaning, sifting or screening, sorting or classifying, scaling, testing or calibration, packaging or breaking up of assembled packages or repackaging, dividing the bulks, affixing marks and labels and other distinguishing signs on the packages of goods, dilution by water or any

This is a translation in progress.
Not an official translation

other aqueous solution, ionization, salting, peeling, crushing, removal of seeds from fruits, slaughtering of animals.

- B- The Customs Department shall determine the origin of the goods to be imported according to the provisions of this Chapter, upon written request from the concerned party supported by all the necessary information, and subject to the following conditions:
1. The written request is supported by all necessary information, which would allow the Department to determine the origin; such information shall be specified in Instructions issued for this purpose.
 2. The Department shall issue the decision determining the origin within a period not exceeding 150 days from the date of submitting the request.
 3. The decision determining the origin shall be valid for 3 years, provided the facts and circumstances on which the determination was made do not change.
 4. The decision shall be nullified ipso facto if the Department issues a contrary decision subsequently, provided that all concerned parties are notified in advance.
- C- Amended or new rules of origin shall not be applied retroactively.

Article (7):

Article (28) of the Original Law shall be amended as follows:

First: by repealing the introductory of Paragraph (a) and replacing it with the following:

A- (the customs value for goods imported to the Kingdom shall be the transaction value; i.e. the actual price paid or payable for goods sold for exportation to the Kingdom, adjusted pursuant to the provisions of Paragraph (f) of this Article, and subject to the following conditions:)

Second: by repealing clause (4) of sub-paragraph (B) and replacing it with the following:

4. They hold directly or indirectly not less than 5 percent of the other person's voting stocks or shares.

Third: by repealing the word (**supervises**) in clause (5) of paragraph (B) with the word (**controls**).

Fourth: by repealing the word (**supervision**) in clause (6) of paragraph (B) with the word (**control**).

Fifth: by repealing the word (**supervising**) in clause (7) of paragraph (B) by the word (**controlling**).

Sixth: by adding the following phrase at the end of Paragraph (C):

(In such case, the Department shall examine the circumstances surrounding the sale, and shall inform the importer in writing -upon his request - about the grounds for considering that the relationship influenced the price; and the importer shall be given a reasonable opportunity to respond).

Seventh: by repealing the phrase **(for goods which are imported within 90 days before or after the date of importation according to the following)** in the introductory of Paragraph (d) and replacing it with the following:
(Goods, which are sold for exportation to the Kingdom at or about the same time the goods being valued are exported).

Eighth: by adding the phrase **(and the quantity levels)** after the phrase **(commercial levels)** in Paragraph (e), and by adding the following phrase to the end of the Paragraph:
(Such values shall only be used for the purposes of comparison and shall not be adopted as substitute values).

Ninth: by adding the phrase **(apportioned as appropriate)** after the word **(the following)** in clause (4) of Paragraph (F), and by adding the phrase **(and selling it for exportation to the Kingdom)** to the end of the introductory.

Tenth: by adding the phrase **(and/or the information therein)** after the phrase **(the authenticity of the submitted documents)**, in Paragraph (h) of Article (28).

Eleventh: by adding Paragraph (i) to Article (28) and as follows:

- i. The customs value shall not include the following charges or costs, provided that they are distinguished from the price actually paid or payable:
 1. charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation of goods such as industrial plants, machinery or equipment;
 2. cost of transportation after importation;
 3. duties and taxes imposed in the Kingdom.
 4. flow of dividends and other payments made by the buyer to the seller that are not related to the imported goods.

Article (8):

Article (29) of the Original Law shall be amended by deleting the phrase **(and subject to the Department's approval)** at the end of it.

Article (9):

Article (30) of the Original Law shall be repealed and replaced with the following text:

Article (30): The customs value shall be :-

- A- The transaction value of identical goods sold for export to the Kingdom and exported, at or about the same time, in a sale at the same commercial level and in substantially the same quantity as the goods being valued; Where no such sale is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity shall be used, provided that such adjustments are made on the basis of demonstrated evidence which clearly establishes the accuracy of the adjustment, whether the adjustment leads to an increase or decrease in the value, and with due account to the differences in costs mentioned in clauses (7) and (8) of paragraph (f) of Article (28) between imported goods and identical goods arising from differences in distance and

This is a translation in progress.
Not an official translation

means of transport. If, in applying this Paragraph, more than one transaction value of identical goods is found, the lowest such value shall be considered.

- B- The transaction value of similar goods sold for export to the Kingdom and exported, at or about the same time, in a sale at the same commercial level and in substantially the same quantity as the goods being valued; Where no such sale is found, the transaction value of similar goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments are made on the basis of demonstrated evidence which clearly establishes the accuracy of the adjustments, whether the adjustment leads to an increase or decrease in the value, and with due account to the differences in costs mentioned in clauses (7) and (8) of paragraph (f) of Article (28) between imported goods and identical goods arising from differences in distance and means of transport. If, in applying this Paragraph, more than one transaction value of similar goods is found, the lowest value shall be considered.
- C- 1- If the imported goods or identical or similar imported goods are sold in the Kingdom in the same condition as imported, the customs value of the imported goods shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons not related to the seller, subject to following deductions:
- 1st- Either commissions usually paid or agreed to be paid, or additions usually made for profits and general expenses in the Kingdom for imported goods of the same class or kind;
 - 2nd- the usual transport and insurance costs and costs associated therewith incurred within the Kingdom;
 - C- costs referred to in clauses (7) and (8) of paragraph (f) of Article (28).
 - D- customs duties and other national taxes payable in the Kingdom by reason of importation or sale of the goods.
- 2- If neither the imported goods nor the identical or similar imported goods are sold at or about the time of importation of the goods being valued, the customs value shall be, subject to the provisions of clause (1) of this Paragraph, based on the unit price at which the imported goods or identical or similar imported goods are sold in the Kingdom, in the same conditions as imported, at the earliest date after importing the goods being valued but prior to 90 days of such importation.
- 3- If neither the imported goods nor the identical or similar imported goods are sold in the Kingdom at the same conditions as imported, then, upon the importer's requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the Kingdom who are not related to the seller, due allowance being made for the value added by such processing and the deductions provided for in clause (1) of this paragraph.

This is a translation in progress.
Not an official translation

D-1 The customs value of imported goods pursuant to the provision of this paragraph shall be based on a computed value, which shall consist of the sum of the following: -

/

A- The cost or value of materials or other processes employed in producing the imported goods.

B- An amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued, which are made by producers in the country of exportation for export to the Kingdom.

C- The wages, costs and expenses provided for in clauses (7) and (8) paragraph (F) of Article (28).

2- It shall not be required of any person not resident in the Kingdom to submit for examination, or to allow access to, any account or other record for the purposes of determining a computed value. However, the Department may for the purposes of determining the customs value under the provisions of this Article, verify information provided by the producer of the goods in another country with the producer's approval, provided sufficient advance notice is given to the government of the country in question and that the government does not object to the investigation.

Article (10):

Article (31) of the Original Law shall be amended as follows:

First: by repealing Paragraph (a) and replacing it with the following text:

31- A - If the customs value is not determinable according to the provisions of Articles (28, 29, 30), it shall be determined according to the data available in the Kingdom, by using reasonable methods consistent with the provisions of the above-mentioned Articles. Customs value shall not be determined based on the following:

1. The selling price in the Kingdom for locally produced identical or similar goods.
2. The higher value among several values.
3. The price of the goods on the domestic market of the country of exportation.
4. The cost of production, other than the computed sum determined for identical or similar goods in accordance with the provisions of Paragraph (d) of Article (30).
5. The price of goods sold for exportation to a third country other than Jordan.
6. Arbitrary or fictitious values.
7. The minimum customs value.

Second: by adding Paragraph (i) and as follows:

(i) Other provisions and conditions necessary for the implementation of Articles (28) till (31) shall be determined according to Instructions issued for this purpose.

This is a translation in progress.
Not an official translation

Article (11):

Article (32) of the Original Law shall be amended as follows:

First: The introductory of this Paragraph shall be renumbered as Paragraph (a), and Paragraphs (a) and (b) of the said Article shall be renumbered as sub-paragraphs (1) and (2).

Second: by adding Paragraph (b) to this Article and as follows:

(b) Other conditions and provisions necessary for the implementation of this Article shall be determined according to Instructions issued for this purpose.

Article (12):

Article (41) of the Original Law shall be repealed and replaced with the following text:

A- Importation or exportation of goods, which infringe upon the intellectual property rights stipulated in the related Laws and Regulations shall not be permitted.

B- The Department shall, upon request of the competent authority, cease the customs clearance procedures and the release of goods in case of imported or exported goods suspected to be in violation of the intellectual property rights stipulated in the relevant Laws and Regulations.

C- The Department may, upon its own initiative, cease the customs clearance procedures and the release of imported or exported goods, if the Department based on *prima facie* evidence is satisfied that the following intellectual property rights are being infringed upon:

1. Copyrights, excluding neighboring rights;.
2. Trademarks.

D- The Department shall not be liable to compensate the importer or the owner of the goods for any damages resulting from withholding the release of the goods according to Paragraphs (B) and (C) of this Article.

E- Pursuant to paragraph (C), where the Department decides to seize goods on its own initiative, it must notify:

1. The Competent Authority;
2. The importer;
3. The intellectual property right holder, if the Department knows the address.

If the Competent Authority does not notify the Department within ten (10) working days from the date of being notified by the Department, of its intention of taking official or judicial measures to verify the infringement upon the intellectual property rights, then the Department shall release the goods and proceed with the customs clearance unless prevented by another reason.

This is a translation in progress.
Not an official translation

F- The importer, owner of the goods, or the right holder shall have the right to inspect the goods withheld from release by a decision of the Competent Authority, provided this is done in the customs premises and under Department's supervision..

G- Border measures related to the protection of intellectual property rights provided for in this Article shall not apply to personal belongings, gifts brought by travelers, or any non- commercial goods.

H- The Minister shall issue the necessary Instructions specifying the detailed procedures for the implementation of the provisions of this Article.

Article (13):

Paragraph (a) of Article (161) of the Original Law shall be repealed and replaced with the following text:

A - The following allowances shall be levied from the owners of goods for the benefit of officials of the Customs Department and other departments working therewith:

1 – (0.20%) of the value of the imported goods locally sold provided that this percentage is not less than (10) JDs and not more than (250) JDs.

2 – (20) JDs for each re-export declaration.

3 - (15) JDs for each transit declaration.

4 - (7) JDs for each export declaration.

5- (3) JDs for each traveler luggage declaration.