

Regulation no. 54 of 2005 for the Goods and Services Sales Tax in Aqaba Special Economic Zone (ASEZA) as amended

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Article (1)

This Regulation shall be named: "Regulation on Tax of Goods and Services Sales in Aqaba Special Economic Zone 2005) and shall enter into force as of the date of publication in the Official Gazette.

Article (2) – Definitions

The following words and expressions, wherever mentioned herein, shall have the meanings set against each of them, unless otherwise indicated by the context:

Law : means the applicable law of the Aqaba Special Economic Zone

Zone : means the Aqaba Special Economic Zone

Customs Region : means the territories of the Kingdom and its regional waters except for the Zone.

ASEZA : means the Aqaba Special Economic Zone Authority (ASEZA)

Board : means the Board of Commissioners of Aqaba Special Economic Zone

Chairman : means the Chairman of the Board

Law of Public Tax on Sales: means the applicable law of public tax on sales

Registered Entity: means the entity registered with the ASEZA as per the provisions of the Law

Goods and Services Sales Tax: means the tax provided for in the clause no. (1) paragraph (A) of article (37) of the Law.

Special Tax: means the tax provided for in the paragraph (C) of article (37) of the Law.

Sales Tax: means the tax provided for in the clauses (2) and (3) of paragraph (A) of article (37).

Tax: means the goods and services sales tax, and the special tax.

Registered Seller: means the seller registered in accordance with the provisions of this Regulation for the purposes of goods and services sales tax, special tax, and sales tax, as the case may be.

Sale: means the sale of a commodity or service as intended by the law of public tax on sales.

Person: means either the natural or legal person.

Non-resident person: means the natural Jordanian or foreign person who resided outside the Kingdom for a period of more than 180 days within the 12 months preceding the date of their arrival into the Kingdom.

Article (3) – Goods and Services Sales Tax

Upon sale for consumption purposes in the Zone, the goods and services listed in the table no. (1) attached to this Regulation shall be subject to the Goods and Services Sales Tax.

Article (4)

In the context of collecting and refunding the tax, ASEZA will apply the provisions contained in this Regulation and the instructions issued hereunder.

Article (5)

A seller registered in the Goods and Services Sales Tax must collect the Goods and Services Sales Tax indicated in the table no. (1) attached to this Regulation upon the occurrence of the first incident of sale for such goods after being imported or produced, or upon the first provision of the service, as the case may be.

Article (6)

The sale of any commodity that is not included in the table (1) indicated in article (3) of this Regulation shall be subject to the Goods and Services Sales Tax if the sale thereof was associated or related to a service subjected to such Tax.

Article (7) – Special Tax

- A. The special tax imposed on tobacco, its products, alcohol, liquor and beer shall be collected for one time upon the occurrence of the first sale of such items after being imported or produced, as the case may be.
- B. For the purposes of the Goods and Services Sales Tax, the amount of the special tax due on the goods mentioned in the paragraph (A) of this article shall be added to the real price when such goods are sold in the Zone.

Article (8) – Common Provisions of Tax

For the purpose of implementing the provisions of this Regulation:

- A. The Board may impose a bank guarantee to secure the tax and fines if they are realized on the sales of a registered seller, pending the supply of such goods within the time limits prescribed by Law.
- B. The names of goods shall be adopted according to the Tariff schedules and their explanations in accordance with the applicable Customs Law.

Article (9)

The sale of any commodity or service that arise from the engagement in an economic activity in accordance with the provisions of articles (22) and (23) of the Law shall be deemed a "sale in the Zone" upon the realization of the following conditions:

- a. The sale resulting from the activity realized in the Zone;
- b. The sale of the goods consumed in the Zone;
- c. The sale of services by realization of the following conditions:
 - 1) If the beneficiary of the services is in the Zone;
 - 2) If the service itself is provided in the Zone;
 - 3) If the service provider or provision means are located in the Zone;
 - 4) If the service is benefited from in the Zone.

Article (10)

If the services set forth in the paragraph (C) of article (9) of this Regulation were provided in the Zone, the Customs Region and outside the Kingdom, collectively or individually, then the whole service fee shall be deemed resulting from the sale of such service in the Customs Region, unless the accounts governing the relevant person according to the recognized international accounting standards showed the fees of any such services separately.

Article (11)

- A. An entity registered with ASEZA must apply for registration in the Goods and Services Sales Tax in accordance with the provisions hereof if such entity imported or produced any of the goods listed in table (1) attached hereto. Such application must be submitted upon the realization of the first importation or production incident.
- B. If the importation of any of the goods listed in table (1) attached hereto or any of the goods subject to the special tax was for private purposes of the importer, then the tax will be collected for the value of those goods without the importer being obliged to register in the Goods and Services Sales Tax.
- C. Any person who sells any of the services contained in the table no. (1) attached hereto shall register in the Goods and Services Sales Tax in accordance with the provisions hereof as of the date of engagement by such person in the business.
- D. For the purposes of the special tax, any person who imports or produces a commodity that is subject to the special tax shall register in the Goods and Services Sales Tax by using the form dedicated for this purpose, upon the realization of the first importation or production incident.
- E. Tax registration applications submitted according to the provisions of paragraphs (A) and (D) of this article shall be recorded in a special book to be prepared for this purpose. This measure shall be performed after verifying the validity of information contained in the registration application, and validation of the entity's license and proper exercising of its activity. ASEZA will then issue a certificate to this end.

Article (12)

Each person who sells a commodity or product that is subject to the sales tax shall registered with the ASEZA in accordance with the principles contained in the Law of Public Tax on Sales and the Regulations issued thereunder.

Article (13)

- a. The Chairman may unregister any registered person when it is verified that such person is no longer selling a commodity or service that is subject to the tax in accordance with the provisions of this Regulation.
- b. Under a decision by the Chairman, the registration of any registered person may be cancelled if such person applied for the cancellation because they are no longer obliged to register according to the provisions of this Regulation. The registration cancellation shall be effective at the end of the tax period during which such application was submitted.
- c. A person whose registration was cancelled in accordance with the provisions of the paragraphs (A) and (B) of this article shall be obliged to submit a final tax return and must pay the tax and any other amounts payable by them to the ASEZA within the prescribed time limit.

Article (14)

- A.
 - 1) A registered person obliged to pay the Goods and Services Sales Tax shall furnish the ASEZA bi-monthly with a statement of its sales of goods and services; such statement shall indicate the value of sales and the amount of payable tax. The two-month period shall be considered one tax period.
 - 2) A registered person obliged to pay the special tax shall furnish the ASEZA bi-monthly with a statement of its sales of goods subject to the special tax and the amount of payable tax. The two-month period shall be considered one tax period.
- B.
 - 1) In all cases, the registered person shall submit the aforementioned statement by using the form approved by ASEZA for each tax period, including the case in which the person realizes no sales at all, either in the written form or in the form of processed information and data.
 - 2) A registered person shall pay the Goods and Services Sales Tax payable by them within the month following the end of the tax period, and the Chairman may grant such registered person an additional period of no more than one month for this purpose.
 - 3) A registered person shall pay the special tax payable by them within twenty one (21) days following the end of the tax period.
- C.
 - 1) If they found an error in their tax return, a registered person may notify the ASEZA in writing of such error and in this case they will not be deemed violators of the provisions

of this Regulation except if the ASEZA was the first to detect such error. In the latter case, the registered person shall pay the difference amount between the amount they already paid and the payable tax amount, in addition to the Tax Payment Delay Fine for each delay week (or part thereof) resulting from such error.

- 2) An amended return shall be subject to the same provisions and procedures to which the original return is subjected, provided that a registered person shall not be entitled to amend a return amended under the provisions of this paragraph.

Article (15)

A. A registered seller shall:

1. Issue a tax invoice for each commodity or service subject to tax, provided that the contents of such invoice must be identified under instructions to be issued for this purpose;
2. Prepare the necessary records and documents to determine the amount of tax payable by such person, provided that those records and documents must be prepared according to the international accounting standards and must be audited and approved by an accountant certified to exercise the auditing profession. Moreover, such records and documents must be maintained for the period prescribed in the Law of Public Tax on Sales and the provisions thereof;
3. If the registered seller failed to maintain such records or documents in accordance with the provisions of clause (2) of this paragraph, the profits percentages shall be considered for this purposes according to the Implementing Regulations issued by the Income Tax and Sales Department.

B. The limits, rules, procedures, records and alternative devices, calculators or invoices which the registered seller is obliged to maintain, and the information to be recorded therein, as well as the documents to be maintained or bookkept, shall be determined by instructions to be issued for this purpose.

Article (16) – General Provisions

Tax realized or amounts payable under the provisions of the Law, this Regulation and the Law of Public Tax on Sales shall be deemed public funds that must be collected in accordance with the applicable Law of Collection of Amiri Funds, and the Chairman or his deputy shall perform all the powers granted under the latter Law to the Administrative Governor and the Committee for the Collection of Amiri Funds.

Article (17)

For the cases not provided for in this Law and the Regulations issued hereunder or under the applicable Law, the provisions of the Law of Public Tax on Sales and the regulations and instructions issued thereunder shall apply in the Zone.

Article (18)

Under a memorandum of understanding to be concluded between ASEZA and the Income and Tax Dept., the tax-related matters shall be organized, including the following:

- a. Procedures relative to application of the provisions of clauses (2) and (3) of paragraph (A) of article (37) of the Law;
- b. The procedures relative to the reporting of tax from ASEZA to the Income & Sales Tax Dept. and vice versa;
- c. The unification of the instructions followed in the Zone and the Customs Region, and simplifying the application thereof;
- d. The joint study of any amendment to the any tax-related legislations; and
- e. The procedures relative to the application of the provisions of article (27) and (41) of the Law and the article (12) of this Regulation.

Article (19)

- A. The Board shall issue the instructions for the enforcement of the provisions hereof, including:
 1. Determining the service fees to be collected by ASEZA for the services it provides in accordance with the provisions of this Regulation;
 2. Procedures related to determining persons residence areas in order to enforce the provisions hereof;
 3. Instructions related to invoices, books and bookkeeping;
 4. The principles of using the electronic means in communications and payment of tax;
 5. Provisions, rules and conditions related to the collection and refunding of tax;
 6. Groups of persons exempted from registration in the Tax on Goods and Services Sales;
 7. Forms of tax registration applications, data to be included in such applications, as well as the conditions, rules, periods, declarations and procedures related to registration in the Tax on Goods and Services Sales, and the certificate to be issued for this purpose.
- B. In line with the powers delegated to him/her, the Chairman shall issue the instructions necessary for the enforcement of the provisions of this Regulation with respect to sales tax.
- C. The instruction issued hereunder shall be published in the Official Gazette.

Article (20)

The Regulation no. 5 of 2001 on Goods and Services Sales Tax of ASEZA shall be abolished, provided that the instructions issued thereunder shall remain in full force until they are abolished or replaced by other instructions according to the provisions hereof.

Table No. (1)**Goods and Services Subject to the Tax on Goods and Services Sales**

Commodity or Service No.	Commodity or Service
1.	Men's suits and women's clothing sets as defined in Chapter (61 and 62) of the Customs Tariff.
2.	Perfume and cosmetics preparations as defined in Chapter 33 of the Customs Tariff
3.	The following electrical devices: a) Hair dryers. b) Shaving machines c) Irons d) Phones e) Automated call devices f) Recording and audio-visual devices. g) Radio and television sets and fixed and mobile cameras as defined in Chapter 85 of the Customs Tariff.
4.	Cameras as defined in Chapter 90 of the Customs Tariff
5.	Watches as defined in Chapter 91 of the Customs Tariff
6.	Sunglasses as defined in Chapter 90 of the Customs Tariff.
7.	Auto spare parts as defined in chapters (39), (40), (70), (83), (84) (85), (87) and (91) of the Customs Tariff.
8.	Tires as defined in Chapter 40 of the Customs Tariff.
9.	Cement as defined in Chapter 25 of the Customs Tariff
10.	Reinforcement steel as defined in Chapter (72) of the Customs Tariff.
11.	Hotel services as defined in the International Standard Classification Table (ISIC 3)
12.	Catering Services as defined in the International Standard Classification Table (ISIC 3)
13.	Services of car rental
14.	Mobile phones including smart phones
15.	Magnetic processing devices of weighing no more than 10 kg.