

Hashemite Kingdom of Jordan  
Ministry of Finance  
Income and sales Tax Service Department

## **Income Tax Law**

Act No. 34 of 2014  
and the regulations and instructions issued thereunder  
2015



Ministry of Finance

Income and sales Tax Service

### **Our Vision**

Efficient and effective professional service and model example

### **Our message**

Manage audit and collection efficiently and effectively to provide public revenue to the state treasury by promoting the principle of voluntary commitment, awareness-raising and tax culture to deliver high quality services to achieve the best possible satisfaction

### **Our Core Values**

Integrity and Credibility \*Justice and Equality

Transparency and Professionalism \*Confidentiality and Information Security

Working in a team spirit \*Treating an expensive partner

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# **Income Tax Law**

**No. (34) of 2014**

## **Article (1)**

This Law shall be cited as the “Income Tax Law of 2014” and shall come into force as of January 1, 2015 .

## **Article (2)**

The following terms and expressions wherever mentioned in this Law shall have the meanings assigned thereto hereunder unless indicated otherwise :

Minister: Minister of Finance

Department: Income and Sales Tax Department

Tax: Income tax

Director-General: Director-General of the Department

Taxpayer: Every person required to pay, withhold, or remit the tax in accordance with the provisions of this Law .

Employment income: The salaries, wages, bonuses, rewards, allowances, and any other cash or in-kind privileges generated by the employee from employment either in the public sector or private sector .

Business activity: The commercial, industrial, agricultural, professional, service, or handicraft activity practiced by the person to make profits.

Investment income: Any income generated from sources other than employment income or business activity.

Gross income: The taxpayer’s total income from all taxable sources of income .

Exempted income: The income not included within the taxpayer’s gross income under the provisions of this Law.

Allowable expenses: The expenses that were totally or exclusively spent or accrued during the tax period to generate a taxable income and which may be deducted from the gross income in accordance with the provisions of this Law .

**Taxable income:** The amount remaining after deducting the allowable expenses carried forward loss from previous tax periods, personal exemptions, and donations respectively .

**Due tax:** The amount of tax due in accordance with the provisions of this Law.

**Due tax balance:** The amount of due tax after the offsetting in accordance with the provisions of this Law and subtracting the advanced tax payments and taxes withheld at source except if such withheld tax considered final .

**Capital assets:** The assets that were bought or financially leased or those in the possession of the taxpayer now or later for the purposes of maintaining them for over one year which cannot be sold or bought during the course of regular taxpayer activity .

**Capital gains:** The gains incurred from selling or replacing capital assets .

**Capital loss:** The loss incurred from selling or replacing capital assets.

**Fiscal year:** A period of 12 consecutive months at the end of which the person closes his accounts .

**Tax period:** The period according to which the tax is calculated in accordance with the provisions of this Law.

**Tax return:** A statement of the income, expenses, exemptions, and due tax filed by the person according to the form specified by the Department .

**Auditor:** The Department's employee who shall be tasked with auditing the tax returns, assessing tax, calculating any other amount due by the taxpayer, and any other tasks or duties assigned thereto in accordance with the provisions of this Law .

**Person:** A natural or legal person .

**Resident person:** A resident natural person or resident legal person .

**Resident natural person:** The natural person who has effectively resided for a period not less than 183 days during the tax period whether consecutively or sporadically, or the Jordanian employee who works effectively for any given period during the tax period for the government or any public institution in or outside the Kingdom .

**Resident legal person:** A legal person is the one :

1. Established or registered in accordance with the provisions of the effective Jordanian legislation and has in the Kingdom a center or branch carrying on administration and control of its activities therein;
2. his place of main or effective management is located in the Kingdom; or
3. if the equity of the government or any of the public institutions therein is over 50%.

Dependent: The taxpayer's spouse, children, ancestors, or relatives up to the 2nd degree whom the taxpayer supports .

Bank: A company licensed to carry out banking activities in the Kingdom in accordance with the provisions of the Banking Law .

Financial company: The financial company defined under the Banking Law, including money exchange companies and financing companies .

Mining raw materials: Exploration, extraction, and exploitation of phosphate, potash, cement, uranium and their derivatives, as well as other natural raw materials specified by the Council of Minister, except for fertilizers industry .

Main telecommunication companies: The telecommunication companies that have individual telecommunication licenses in accordance with the Telecommunications Law .

Royalty: The amounts accrued irrespective of their kind in return for using or the right to use copyrights of any original literary, artistic or scientific work, patent, trademark, design, model, blend, or formula; or in return for using or the right to use industrial, commercial, or scientific equipment, or information related to industrial, commercial, or scientific expertise .

Objection committee: The objection committee established in accordance with the provisions of this Law .

Court: The competent court in accordance with the provisions of this Law .

### **Article (3)**



A- Any income generated in or from the Kingdom for any person regardless of the place of payment shall be taxable, including the following :

1. Income generated from business activity
2. Interest, commissions, discounts, currency exchange differences, deposit profits, and profits from banks and other resident legal persons
3. Royalties
4. Income generated from selling goods whether sold in the Kingdom or exported therefrom
5. Income generated from selling or leasing movable properties located in the Kingdom
6. Income generated from leasing immovable properties located in the Kingdom and income from key money
7. Income generated from selling or leasing intangible assets located in the Kingdom, including goodwill
8. Income generated from insurance premiums due under insurance and re-insurance agreements from risks inside the Kingdom
9. Income generated from all forms of telecommunication services, including international telecommunications
10. Income generated from transportation inside the Kingdom and between the Kingdom and any other country
11. Income generated from re-exporting
12. Service compensation gained by a non-resident person from the Kingdom for a service provided to any person if the activity or work related to this compensation was carried out or the output of this service was used in the Kingdom
13. Income generated from prizes and lotteries if the value of each is over 1,000 Dinars, whether cash or in-kind
14. Income generated from any contract in the Kingdom such as commercial agency profits and any similar entities whether its source is in or outside the Kingdom
15. Any other income not exempted in accordance with the provisions of this Law .

B- For the purposes of this Law, the value of in-kind income shall be calculated according to the market price on the due date of such income .

C- The following incomes shall be taxable :

1. Net income generated by a resident person from any source outside the Kingdom, provided that it originates from money or deposits from the Kingdom .
2. Total net incomes generated by a branch of a Jordanian company operating outside the Kingdom and declared in its final financial statements that are certified by an external certified public accountant .
3. The net income provided for in Sub-paragraphs (1, 2) of this Paragraph shall be deemed taxable with a tax rate of 10 percent, and it is not permissible to deduct any amount or part thereof for any reason whatsoever .

#### **Article (4)**

A- The following shall be tax-exempt :

1. The King's allocations .
2. Income generated by public institutions and municipalities inside the Kingdom, excluding profits from any investment activity or surplus of annual revenue deemed as taxable by the Council of Ministers upon a recommendation of the Minister .
3. Profits of a foreign company not operating in the Kingdom, such as the headquarters or representative office, that are generated from its businesses outside the Kingdom .
4. Income from charitable endowments and income generated by Orphans Fund Development Foundation.
5. Profits of stocks and dividends distributed by a resident person except for the profits of mutual investment funds generated by banks, main telecommunication companies, mining raw material companies, insurance and re-insurance companies, financial intermediaries, financial companies, and legal persons carrying out financial leasing activities .

6. Capital gains generated inside the Kingdom except for the profits generated from assets covered by the depreciation provisions in this Law .
7. Income generated inside the Kingdom from trading in dividends, stocks, bonds, equity loan, Muqarada bonds, Islamic finance Sukuk, treasury bonds, mutual investment funds, futures, and options contracts related thereto, except for the income generated by banks, main telecommunication companies, insurance and re-insurance companies, financial intermediaries, financial companies, and legal persons carrying out financial leasing activities.
8. Income generated by a non-Jordanian resident investor from sources outside the Kingdom originated from investing his foreign capital, returns, profits, and investment liquidation return, or selling his project, shares, or stock after taking them out of the Kingdom in accordance with the provisions of the Investment Law or any other law replacing it .
9. Compensations paid by insurance entities, except for what is paid as a reimbursement for the loss of income from employment of business activity .
10. Employment income paid to members of non-Jordanian diplomatic or consular corps who represent other countries in the Kingdom subject to the reciprocal treatment principle .
11. Income generated from distribution of inheritance to the inheritors and devisees in accordance with the provisions of the effective legislation .
12. End of service indemnity for employees under the effective legislation or any collective arrangements made with consent of the Minister as follows :
  - A. 100 percent of any amount due for the employee's services prior to December 31, 2009
  - B. The amounts exceeding 5,000 Dinars of the end of service indemnity due to the employee as of January 1, 2010 shall be taxable .
13. The first 3,500 Dinars of total monthly pension including dependency.

14. Income of the blind or any person totally incapable of working .
15. Any income generated by banks and financial companies not operating in the Kingdom from the banks operating in the Kingdom such as deposit interests, commissions, and deposit profits from investment in interest-free banks and financial companies .
16. Profits gained by re-insurance companies not operating in the Kingdom from the insurance contracts they conclude with insurance companies operating in the Kingdom .
17. Income covered by double taxation agreements concluded by the government to the extent provided for under such agreements .

B- Income employment from the following shall be tax-exempt :

1. Additional allocations and bonuses paid for the abroad employment for members of Jordanian diplomatic and consular corps in accordance with the provisions of diplomatic corps, as well as public sector employees .
2. Meals provided to the employees at workplace .
3. Accommodation services provided to the employees at workplace .
4. Equipment and uniforms needed to conduct the work, which are provided by the employer to the employees .

C- Income of the following persons and entities shall be tax-exempt, provided that the terms and conditions related to such exemption shall be specified under a regulation to be issued for this purpose :

1. Political parties, trade unions, and professional associations such as chambers of commerce and industry, cooperatives, and other legally registered and licensed non-profit organizations .
2. Non-profit religious, charitable, cultural, educational, sport, or health organizations .
3. An exempted company that is registered under the Companies Law with incomes generated outside the Kingdom, except for incomes generated from taxable sources of income under the provisions of this Law .
4. A non-profit company registered under the Companies Law .

**D-** Income of public and private pension funds, provident funds, and any other funds approved by the Minister shall be tax-exempt with respect to the contributions made by the employees and employers .

**E-** It is permissible to exempt exports of certain types of goods and services of local origin from the tax wholly or partially, provided that the basis, percentage, and duration of such exemption, as well as types of the involved goods and services shall be specified under a regulation to be issued for this purpose .

**F-** Subject to Paragraph (A/17) of this Article, the exemptions provided for in this Article shall not apply to the taxable income in accordance with the provisions of Article (3/C) of this Law .

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

**A-** Total gross income generated from an agricultural activity inside the Kingdom shall be tax-exempt .

**B-** For the purposes of this Article, agricultural activity means :

1. Production of crops, grains, vegetables, fruits, plants, flowers, and tress .
2. Livestock, fish, bird, and bee raising, including production of eggs and honey .

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

A taxpayer may deduct the following allowable expenses, provided that the regulation shall specify the provisions and procedures of such deduction :

**A-** Foreign income tax paid on income generated from sources outside the Kingdom if it was taxable in that country in accordance with the provisions of this Law in case no double taxation agreement is signed between the Kingdom and that country. However, if such agreement exists, the double taxation provisions provided therein shall apply .

**B-** Murabaha profits and paid/due interests .

**C-** Bank allocations in accordance with the provisions of the Banking Law, subject to the following :

1. The bank shall reduce the allocations made for non-performing credit in the following cases :
  - A- Transfer non-performing credit facility into performing credit facility in accordance with the provisions of the Banking Law .
  - B- Collect the value of non-performing credit facility .
  - C- Write off a credit facility as bad debt .
  - D- Any other case specified by the Central Bank of Jordan .
2. In cases where non-performing credit facility allocations are reduced, the bank shall state in his gross income the reduced amount that has been accepted for tax purposes in the tax period in which such reduction took place .
  - D- Insurance company allocations related to unearned premiums, allocations for claims under settlement, and account allocations from its gross income, provided that what was deducted from these allocations during the previous tax period shall be added to this gross income after deducting the re-insurance portions in accordance with the provisions and procedures specified by a regulation to be issued for this purpose .
  - E- Doubtful debt allocations for taxpayers and companies other than those provided for in Paragraph (C) of this Article, who are required to keep books, records, and financial statements developed in accordance with the international accounting standards and audited by a certified public accountant .
  - F- Bad debt that has been already accounted for within his gross income. In case the bad debt is collected wholly or partially after being deducted, the amount shall be added to the gross income of the tax period in which the amount was collected .
  - G- Amounts paid to insure risks related to his taxable activity .
  - H- Depreciation of capital assets and redemption of intangible assets including the goodwill used for the purposes of generating taxable income and expenses of natural resource exploration in accordance with the following provisions :
    1. It is not permissible for the taxpayer to depreciate the value of land or any other assets that do not lose their value over time .

2. Depreciation or redemption of assets shall be specified as a percentage of their original cost, provided that the methods, provisions, percentages, and procedures of depreciation and redemption shall be specified under a regulation to be issued for this purpose .

I- Taxes and fees paid for his taxable activities .

J- The amounts paid as civil compensation under contracts concluded by the taxpayer to conduct his taxable activities .

K- The amounts paid by the employer on behalf of the employees to the Social Security Corporation, as well as his contribution to any pension or provident fund, or any other fund established by the employer with approval of the Minister for the interest of his employees .

L- Hospitality and travelling expenses incurred by the taxpayer .

M- Employees' medical treatment, meals at workplace, travelling, transportation, life insurance against work injuries, and health insurance paid by the employer on behalf of the employees and their dependents .

N- Expenses of marketing, research and development, and training .

O- Expenses of previous tax periods that were not determined and final .

### **Article (7)**

It is not permissible for the taxpayer to deduct the following :

A- The tax, penalties, and other amounts due under the provisions of this Law .

B- Criminal penalties and penalties paid as civil compensations under the provisions of this Law .

C- Cost and composition of capital assets and cost of intangible assets subject to Article (6/H) of this Law .

D- Expenses related to income subject to a final tax or exempted from tax, provided that the executive instructions shall determine how to calculate such expenses .

E- The part of the foreign legal person branch's portion from the headquarters expenses that exists outside the Kingdom, which exceeds (5 percent) of the branch's taxable income.

F- Allocations and reserves not provided for explicitly as deductible under this Law .

G- Amounts paid that can be refunded under an insurance policy or contract .

H- Household, personal, or private expenses .

### **Article (8)**

A -

1. If a loss is incurred by any person in his taxable business activities inside the Kingdom, this loss shall be deducted from the profits of other business activities in the same tax period .

2. If a loss reaches an amount that cannot be totally deducted, its balance shall be carried forward to the following tax periods up to five years from becoming final .

B- Losses incurred from business activities outside the Kingdom shall be carried forward to be deducted from the profits of business activities incurred outside the Kingdom .

C- A carried forward loss amount shall not include any amounts related to donations or personal exemptions .

D- A loss, which, if was a profit, would not be subject to tax under the provisions of this Law, cannot be deducted or carried forward .

E- It is not permissible to deduct or carry forward a loss unless the taxpayer presents appropriate accounts under this Law and the regulations and executive instructions issued thereunder .

### **Article (9)**

A-

1. Gross income of the resident natural person shall be tax-exempt up to 12,000 Dinars for the taxpayer and additional 12,000 Dinars for the dependents irrespective of their number.



2. The natural person and dependents shall be granted exemptions for medication, education, and rental expenses; housing and Murabaha loan interests; and technical, engineering, and legal services up to 4,000 Dinars, provided that the taxpayer presents supporting invoices or documents .

B -

1. The taxpayer or the spouse may make use of the exemptions granted under the provisions of Paragraph (A) of this Article, provided that the total exemptions shall not in all cases exceed 28,000 Dinars for the taxpayer, spouse, and dependents .
2. It is not permissible to file a joint tax return without the consent of the spouse .
3. The non-resident Jordanian natural person may make use of the exemptions related to the resident dependents in the Kingdom in case he supports them .

#### **Article (10)**

A- A person may deduct any amount paid during the tax period as a donation without any personal interest to any public institution or department, or municipality from his gross income during the period in which the payment took place.

B- Any person may deduct the subscriptions and donations paid in the Kingdom without any personal interest for religious, charitable, humanitarian, scientific, environmental, sport, or professional purposes if the Council of Ministers approves such capacity, as well as the subscriptions and donations paid to the political parties provided that the total amount paid shall not exceed what is provided for under the Political Parties Law; and the deductible amount under this Paragraph shall not exceed (25 percent) of the taxable income after the deduction provided for in Paragraph (A) of this Article prior to this deduction .

#### **Article (11)**

A- Tax on the taxable income of the natural person shall be according to the following rates :

1. 7% on each Dinar of the first 10,000 Dinars
2. 14% on each Dinar of the second 10,000 Dinars
3. 20% on each Dinar above .

B- Tax on the taxable income of the legal person shall be according to the following rates:

١٤) .١ percent) for the industrial sector

٢٠) .٢ percent) for all legal persons except those provided for in Sub-paragraphs (1, 3, 4) of this Paragraph

٢٤) .٣ percent) on each Dinar the main telecommunication companies, electricity distribution and generation companies, mining raw material companies, insurance and re-insurance companies, financial intermediaries, financial companies, and legal persons carrying out financial leasing activities

٣٥) .٤ percent) for banks

C- Upon calculating the taxable income or due tax, the resulting amount shall be rounded down to the nearest Dinar .

## **Article (12 (**

A- With respect to the following incomes, tax shall be withheld by the person who pays as follows :

٥) .١ percent) of any amount paid by a resident legal person as fees, wages, etc. to any resident person such as doctors, attorneys, engineers, certified public accountants, experts, consultants, taxpayer agents, insurance and re-insurance agents and brokers, arbitrators, customs brokers, commission-based brokers, agents, and intermediaries, financial intermediaries, commission-based cargo brokers, as well as the other persons who will be specified under the executive instructions to be issued for this purpose .

٢) Income from deposit interest, commissions, and profits of deposits participating in investments of banks and interest-free financial companies, which is paid to any person by the banks and financial companies in the Kingdom at the rate of (5 percent), provided that the withheld amounts shall be deemed a final tax for the non-resident natural person and legal person. Deposit interests and profits, and commissions due for banks from other banks, as well as

interests and profits due to any other entity as specified under the executive instructions .

.٣ Income from prizes and lotteries, which its value or amount exceeds 1,000 Dinars at the rate of (15 percent), and the withheld amount shall be deemed a final tax .

.٤ Employment income generated by a natural person in accordance with the procedures and withholding rates specified under the executive instructions .

B-

1. Any person who owed or paid a taxable income to a non-resident person directly or via an intermediary shall withhold from this income on the due date or payment date whichever is earlier (10 percent) of such income, develop a statement indicating the amount of income and withheld amount, and provide both the Department and recipient with a copy thereof .
2. Under the executive instructions, it is permissible to consider any amount withheld in accordance with the provisions of Sub-paragraph (1) of this Paragraph as a final tax .

C- The taxpayer's gross income shall not include the income subject to withholding from the source in case the withheld amount is a final tax. Otherwise, the withheld amounts shall be deemed a down payment on the tax account .

D- The amounts withheld and remitted to the Department in accordance with the provisions of this Article, which are considered as a down payment on the tax account, shall be offset with the tax due on the taxpayer for the tax period during which it was paid or any later tax period up to four years following the tax period during which the withheld tax shall be remitted to the Department .

E- The person who is required to withhold tax in accordance with the provisions of this Article shall remit the withheld and collected tax to the Department within 30 days from the date of payment. In case of failure to withhold and remit the tax in accordance with the provisions of this Article, the tax shall be deemed a due tax on him as of the due date for remittance .

F- The executive instructions necessary to regulate the provisions and procedures of this Article shall be issued .

### **Article (13)**

A- The taxpayer's due tax shall be calculated on a calendar year basis .

B- It is permissible for the taxpayer who closes his accounts on a date other than end of the calendar year to calculate the tax based on his fiscal year provided that he shall notify the Department in advance thereof .

C -

1. The taxpayer who commences his activity within the first half of the calendar year shall compute his tax for the period between the start of his activity and end of the calendar year .

2. The taxpayer who commences his activity within the second half of the calendar year shall compute his tax for the period between the start of his activity and end of the calendar year.

D- The auditor may by himself or upon the request of the taxpayer or whoever the taxpayer delegates under the executive instructions compute the tax on any taxpayer upon his death, liquidation, omission, or about the leave the Kingdom permanently before the end of the tax period; assess the due tax, and audit it within 10 days from notifying him in writing .

### **Article (14)**

A- Subject to any other provision provided for in this Law, the taxpayer's income shall be computed on the accrual-basis of accounting for the purposes of tax .

B- It is permissible for the natural person whose income is generated from employment or profession to compute his tax on the cash-basis .

C- The bank may compute the tax on the suspended interest, profits, and commissions in the year of receipt in accordance with the executive instructions to be issued for this purpose .

### **Article (15)**

A- Income and deductible expenses for the taxpayers who use the accrual basis of accounting regarding the long-term contracts shall be computed based upon the actual progress rate of the contract within the tax period in accordance with the provisions and procedures to be specified by the executive instructions .

B- For the purposes of Paragraph (A) of this Article, long-term contracts refer to manufacturing, installation, or construction contracts; or delivery of services related thereto within one tax period in which they were started. This shall not include contracts that are accomplished within six months from the contract commencement date .

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

For the purposes of this Law, the financial lessee, including a lessee whose lease will end in acquisition, shall be treated as an owner of the property in accordance with the provisions and procedures to be specified by the executive instructions. The lease payments shall be deemed as long installments or lease installments ending by acquisition as the case may be .

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

A- Each person who has one taxable source of income or more shall file a tax return according to the form approved by the Department no later than the next four months after the end of the tax period .

B- The inheritors or whoever they delegate shall file a tax return on behalf of the deceased within 90 days from the date of death .

C- The custodian, liquidator, or trustee in bankruptcy shall file a tax return on whoever they represent .

D- Married taxpayers who have taxable sources of income may file a joint return with consent of each other .

E- Certain groups of taxpayers shall not be required to file a tax return in accordance to a regulation to be issued for this purpose .

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

A- Subject to any other dates provided for in this Law, the taxpayer shall pay the due tax balance no later than the next four months after the end of the tax period .

B- To compute the due tax balance, there shall be an offset of (100 percent) of the property tax inside the territories of Greater Amman Municipality and other municipalities paid by the taxpayer in any given year on the leased properties from which he generates a taxable income under the provisions of this Law, provided that such offsetting shall not exceed the due tax on such income for that year, taking into account the ratio of such income to the taxpayer's gross income .

### **Article (19)**

A- An importer shall pay (2 percent) of the import value as a down payment provided that Jordan Customs shall collect and remit such amount to the Department; and the Council of Minister upon a recommendation of the Minister may exclude certain types of imports or taxpayers from the provisions of this Paragraph .

B- The taxpayer who carries out business activities and his gross income from such activities exceeded in the previous tax period 1,000,000 Dinars shall remit the payments provided for in Paragraph (C) of this Article on the account of the due tax on the income generated from such activities according to the following dates unless the executive instructions specify a longer period :

1. For the period covering the first half of the tax period within 30 days from the last day of the first period for that period .
2. For the period covering the second half of the tax period within 30 days from the last day of the first period for that period.

C- Value of the payments made for the purposes of Paragraph (B) of this Article shall be equal to (40 percent) of the tax computed according to the financial statements provided to the Department for the concerned period. In case there are no financial statements for that period, the tax stated in the tax return of the last tax period shall be used instead .

D- The taxpayer shall deduct what is paid on the tax account under the provisions of Paragraph (A) of this Article from the due payment under the provisions of Paragraph (B) of this Article .

E- The amounts paid under the provisions of Paragraph (A) of this Article shall be offset from the due tax for the tax period during which it was paid or any subsequent tax period up to four years next to the tax period during which he shall pay .

### **Article (20)**

A- For the purposes of this Article, the term “disposition transaction” means putting the asset as an endowment, granting it, or any other agreement or arrangement regarding transferring it or its revenue .

B- If any income is generated from the disposition transaction carried out by the taxpayer for the interest of any of the dependents who have not completed 18 years old at the beginning of the tax period during which the income was generated, such income shall be deemed an income for the person who carried out the disposition transaction for the purposes of this Law .

C- The disposition transaction shall be considered as a revocable transaction if it included a provision allowing the transfer of the income or re-transferring it to the person who made the disposition transaction or allowed him to control the income or the assets that the income was generated from directly or indirectly .

D- If one person or more who have common interests in one enterprise or more conduct commercial or financial transactions between them and these enterprises, or among these enterprises in a way different than what is being carried out in the market, and such transactions may reduce the taxable profits of any of them or the enterprises, these transactions shall not be taken into account, and the actual profits shall be assessed according to the regular market value of the transactions .

E- Any false or fake transaction shall not be taken into account, and the due tax shall be assessed for the concerned taxpayer as if there was no transaction .

### **Article (21)**

For the purposes of this Law, the Director-General shall be deemed an auditor and exercise the following authorities :

A -

1. Delegate any of the Department's employees who hold a bachelor degree at minimum to audit the tax returns, assess the tax, compute any other amounts due by the taxpayer, and carry out any other tasks or duties assigned thereto in accordance with the provisions of this Law, provided that the terms and conditions of such delegation as well as the university majors necessary to grant such delegation shall be specified under instructions to be issued by the Director-General for this purpose.
2. For the purposes of Sub-paragraph (1) of this Paragraph, the delegation may be unlimited in terms of duration and issue .

B- Establish a committee of three auditors to carry out audit or assessment works and decide on any issues referred thereto by the Director-General if the work interest so necessitates. The committee shall issue its decision by majority, and its decision shall be a decision issued by the auditor under the provisions of this Law .

C- Approve the forms of tax returns, notices, memoranda, or any other forms he deems necessary to implement the provisions of this Law .

D- Take necessary decisions and procedures to implement the provisions of this Law and the regulations, executive instructions, and instructions issued thereunder .

### **Article (22)**

The resident person whose income is taxable under the provisions of Article (3) of this Law shall register with the Department and obtain a tax identification number prior to carrying out his business or activity, provided that the executive instructions shall specify the registration conditions and all related procedures .

### **Article (23)**



A- The taxpayer shall keep the books, records and financial statements needed to determine the due tax provided that such documents shall be developed according to the international accounting standards, audited and certified by a certified public account, and kept for four years starting from the last day of the following dates :

1. End of the tax period date in which the books and records were developed .
2. Date of filing the tax return .
3. Date of notification of the outcome of an administration assessment decision .

B- In case of any dispute on the amount of due tax or related penalties or amounts, the taxpayers shall keep the books and records until such dispute is settled or a final decision is issued by the court. In all cases, the period of keeping such documents shall not be less than the period specified in Paragraph (A) of this Article .

C- The taxpayer may keep his books and records in English provided that he shall submit an Arabic version thereof if required by the Department .

D- Certain groups of taxpayers shall be wholly or partially excluded from keeping books, records, and financial statements under the conditions and procedures of a regulation to be issued for this purpose, provided that such regulation shall not include the persons working in the field of medical, engineering, and legal consultations .

E- In case the taxpayer fails to keep the books and records as specified, the regulation shall specify ratios of gross profits of the goods or services traded by the commercial, industrial, and service sectors .

#### **Article (24)**

The taxpayer may use computer technology to keep his books, records, and financial statements, and such statements shall be deemed duly appropriate from an accounting perspective in case :

A- the taxpayer keeps the original books and records as well as the supporting documents for the period specified by the law .

B- the taxpayer complies with any other conditions and procedures specified by the regulation issued for this purpose .

### **Article (25)**

The person licensed to practice the certified public account profession in the Kingdom shall provide the Department with a list of his clients and their addresses no later than the end of the third month of the following fiscal year .

### **Article (26)**

A- The tax return shall be filed to the Department by the taxpayer or whoever he delegates using the means approved by the Department in accordance with the conditions and procedures specified by the regulation, such as :

1. Registered mail
2. Banks authorized by the Department
3. Any company licensed to act as a public or private mail operator, provided that it shall be approved by the Council of Ministers upon a recommendation of the Minister .
4. Electronic means .

B- The date of filing the tax return shall be the date of reception by the Department, date of post stamp, or date of the deposit receipt issued by the bank or licensed company whichever is earlier. In case of electronic filing, the executive instructions shall specify the date of filling .

### **Article (27)**

A taxpayer may amend the tax return if he finds a mistake therein, whether in terms of income or tax amount. In this case, the taxpayer shall pay the due tax and late payment penalty if any. The taxpayer shall not be considered to have committed a violation or a crime unless the Department discovers such mistake before him or the auditor has issued a notice of audit on that return.

## **Article (28 )**

A -

1. The tax return committee, to be established by the Minister and comprise six employees from the Department in addition to the Director-General, shall select the tax returns subject to audit according to annual audit sample criteria .
2. The annual tax returns of the taxpayers whose returns have not been selected within the audit sample based upon the principles provided for in Paragraph (A/1) of this Article shall be deemed accepted, and they shall be notified thereof .
3. The Director-General or whoever he delegates in writing may reconsider the duly accepted tax returns in accordance with Sub-paragraph (2) of this Paragraph and issue the appropriate decision thereon within four years from the date of filing the return in accordance with the provisions of this Law in case of one of the following two situations :

A- Wrong application of the law .

B- If the previous decision ignored a fact or evidence on a source of income that had not been addressed at that time .

B- The auditor shall review the tax return included in the selected audit sample within two years from the date of filing the return or date of amending it as the case may be; otherwise the return shall be deemed accepted. If the auditor finds reasons that require rejecting the return wholly or partially, he shall issue a notice of audit under which he invites the taxpayer to attend a session to discuss the return, provided that such notice shall include the following :

1. Date of notice
2. Taxpayer's name and identification number
3. Tax period(s) to be covered by the audit
4. Place, date, and time of the audit
5. Auditor's name and signature .

C- The auditor may carry out the audit at the taxpayer's premises or any other place related to the taxpayer's work, and he may with a

written consent of the Director-General carry out the audit after official working hours .

D- The provisions of Paragraph (B) of this Article shall apply to the tax returns filed after effectiveness of the provisions of this Law .

### **Article (29)**

A- The auditor shall issue the audit decision within two years from the issuance date of the notice of audit, provided that such decision shall include the following information:

1. Taxpayer's name and identification number
2. Tax period(s)
3. Legal basis of the audit
4. Audit findings
5. Amount of due tax and other amounts in accordance with the provisions of this Law .

B- If the audit decision does not include any amendments, the auditor shall accept such return. If the audit decision includes amendments to the return, the taxpayer may take any of the following actions after reviewing the decision content :

1. Agree with the decision and sign it accordingly
2. Disagree with the audit result and sign accordingly. Failure to sign or to show up shall be deemed as disagreement with the decision, and the auditor shall issue his decision by assessing the taxable income and due tax in the light of the information available thereto and the notice provided for in Paragraph (A) of this Article, justifying each item of his decision separately and indicating the reasons behind not taking the taxpayer's viewpoint into account. Otherwise, the item(s) shall be deemed agreed upon at the objection phase. In this case, such decision shall be objectionable before the objection committee .

C- In all cases, the taxpayer shall be notified in writing of the audit decision result and its justifications .

D- Notwithstanding any other provision, it is not permissible for the auditor to issue the written notice on the audit decision after four years from the date of filing the tax return submitted after

effectiveness of the provisions of this Law or its amendment date as the case may be unless there is evidence of tax fraud, and in this case the period provided for in this Paragraph shall be doubled .

### **Article (30)**

A- If the taxpayer fails to file the tax return within the period specified in this Law, the Department shall issue a presumptive assessment decision in which it specifies the assessed tax due on the taxpayer for the concerned tax period(s) as well as any other penalties or amounts due thereon, and the taxpayer shall be notified in writing of the result of such decision .

B- The amounts demanded under the notice provided for in Paragraph (A) of this Article shall become collectible after 30 days from the date of notification, and any amount collected therefrom shall be a payment on the account of the final due tax; and this decision shall not be deemed final for the purposes of objection and appealing .

C- The presumptive assessment decision shall be deemed null and void if the taxpayer files the tax return of the concerned tax period(s) and pays the tax and any other penalties or amounts due under such return, provided this should take place prior to issuance of the administrative assessment decision in accordance with the provisions of Article (31) of this Law .

D- For the purposes of this Article, the Director-General shall issue instructions to determine the principles and procedures of presumptive assessment .

### **Article (31)**

A- If the taxpayer fails to submit the tax return after 30 days from the date of the written notice on the presumptive assessment result, the auditor may issue an administrative assessment decision using any of the sources of information specified by the executive instructions .

B- The taxpayer shall be notified in writing of the result of the administrative assessment decision, and such decisions shall be objectionable before the objection committee .

C- The presumptive assessment decision shall be deemed null and void by default once the administrative assessment decision is issued .

### **Article (32)**

A- In the cases where the final assessed tax on any natural person in any given year does not exceed 1,000 Dinars, the Director-General may consider such tax as a basic lump-sum tax on each year of the years following such year up to five years, and the concerned person may pay the lump-sum tax within 30 days after the end of each year to which the tax applies .

B- Notwithstanding any other contradicting provision, the Director-General may issue a decision under which he imposes an annual lump-sum income tax on the natural person whose gross income is less than 100,000 Dinars. The decision shall specify the types of taxable income and concerned years; and the Director-General may delegate his authorities in writing to the auditor .

C- Any person to whom the basic lump-sum tax decision under the provisions of Paragraphs (A, B) of this Article is applicable may request the Director-General to reconsider the decision provided that he shall submit a request within 30 days after the end of the year to which such tax applies or the date of notification of the notice, and the Director-General may reduce or cancel the tax. In case of cancellation, the tax shall be assessed in accordance with the provisions of this Law .

D- The Director-General may repeal any of the decisions issued under the provisions of Paragraphs (A, B) of this Article, and this decision shall apply to the years subsequent to its issuance without prejudice to the provisions of Article (34) of this Law .

E- The decision issued by the Director-General in accordance with the provisions of this Article shall be appealable before the tax court of first instance .

### **Article (33)**

A -

1. Via a decision of the Director-General, one administrative committee or more shall be established and called the “objection committee” which shall be tasked with looking into the objections submitted in accordance with the provisions of this Law, and such committee shall consist of three experienced auditors. In case the objected tax is less than 5,000 Dinars or the objected net income reported as a loss does not exceed 50,000 Dinars, the objection committee may consist of one auditor .
2. Procedures and decision-making process of the objection committee shall be specified under a regulation to be issued for this purpose .

B- It is permissible for the taxpayer to object before the objection committee against the audit decision issued under Paragraph (B/2) of Article (29) of this Law or the administrative assessment decision issued under Article (31) of this Law within 30 days from the date of being notified of the decision .

C -

1. The audit decision or administrative assessment decision shall be final if no objection is submitted within the period specified in Paragraph (B) of this Article .
2. The committee may extend the objection period provided for in Sub-paragraph (1) of this Paragraph up to two years from the date of notifying the objector of the audit decision or administrative assessment decision if the committee is convinced that the objector was unable to submit his objection within the period specified Sub-paragraph (1) of this Paragraph due to being outside the Kingdom, sickness, or any other logical reason .

D- The taxpayer shall pay the admissible tax, penalties and other amounts; otherwise, the objection shall be rejected .

E- The objection committee shall recall the objector to a session to look into his objection, and the objector has the right to the evidence for his objection reasons; and the committee may request any necessary information and details; and request to provide it with the records and documents related to the objector’s income, and

question any person it thinks has information regarding the objected decision .

F- The objection committee shall issue a justified decision on the objection within 90 days from the date of submitting the objection, and it may support or amend the objected decision by increasing, reducing, or repealing the tax .

G- After reviewing content of the decision issued under Paragraph (F) of this Article, the taxpayer may :

1. Agree with the decision and sign it accordingly.
2. Disagree with the audit result and sign accordingly. Failure to sign or to show up shall be deemed as disagreement with the decision .
3. The Department shall notify the objecting taxpayer in writing of the result of the decision made on his objection, and the objecting taxpayer may appeal before the court within 30 days from being notified of the decision .

H- If the objection committee fails to make a decision on the objection within the period specified in Paragraph (F) of this Article, no late payment penalty shall be calculated on this period from end of the said period up to issuance of the notice which contain the decision result .

### **Article (34)**

A- Subject to the provisions of Paragraph (B) of this Article, the Director-General or whoever he delegates within a period not exceeding four years from the date of filing the tax return, the date of amending it as the case may be, or the date of issuing the administrative assessment decision or imposing the lump-sum tax under the provisions of Article (32) of this Law, may reconsider the audit decision, administrative assessment decision, objection committee decision, or any procedure taken by the Director-General, auditor, or objection committee. After giving the taxpayer or whoever represents him a reasonable opportunity to present his case, the Director-General may issue an amending decision for any of such decision by increasing or reducing the tax in any of the following two cases :



1. Wrong application of the law.
  2. If the previous decision ignored a fact or evidence on a source of income that had not been addressed at that time .
- B- Notwithstanding any other provision, the burden of proof shall be on the Director-General or the person delegated by the Director-General in case of increasing the tax .
- C- The amended decision to the audit decision, administrative assessment decision, objection committee decision shall not include any evidence under consideration by the court or on which the court adjudicated with a final decision once it looked into the appeal submitted on such decision.
- D- The Department shall notify the taxpayer in writing of the result of the amended decision issued under the provisions of this Article, and such decision can be challenged before the court within 30 days from the date of notifying the taxpayer of the decision .

### **Article (35)**

The Director-General may under the instructions he issues subject the audit decisions, administrative assessment decisions, decisions issued by the objection committee thereon, the amending decisions thereof, as well as any other decisions issued under the provisions of this Law to his audit or audit of whoever he delegates. None of the decisions subject to audit under the provisions of this Article shall be final and binding and shall have no effect before being approved by the Director-General or whoever he delegates for this purpose. Any notification prior to such approval shall be deemed null and void, and the Director-General shall adjudicate in any dispute arising from such audit .

### **Article (36)**

A- In case the taxpayer fails to pay or remit the tax on the dates specified under the provisions of this Law, the Department shall collect a late payment penalty at the rate of (0.04 percent) of the due tax or any other amounts that must be withheld or remitted for each week of delay or any part thereof .

B- If the taxpayer filed a tax return, paid the declared tax on the specified date, and then had to pay any tax difference under the provisions of this Law, a late payment penalty shall be imposed thereon on the tax difference amount from the date of being notified of the audit decision notice if the difference does not exceed 5,000 Dinars. Otherwise, the provisions of Paragraph (A) of this Article shall be applied thereto .

C- Subject to the provisions of Paragraphs (A, B) of this Article, the penalties amount shall not exceed the tax amount .

D- The executive instructions shall specify ways of paying and remitting the tax, as well as any other procedures necessary to this end .

#### **Article (37)**

A- The General Director with justified reasons may install the due tax on the taxpayer under the conditions and procedures specified by the executive instructions .

B- The taxpayer shall pay an additional amount to the installed amount at an annual rate of (9 percent).

#### **Article (38)**

A- If the taxpayer has paid an amount exceeding the due amounts, the Department shall transfer the excessive balance to pay off any other amounts due to the Department under the provisions of the effective legislation, and if any amounts remain in this balance, the Department shall refund such amounts to the taxpayer within 30 days from the date of receiving a written request thereon .

B- If the Department fails to refund the excessive balance on the date specified in Paragraph (A) of this Article, it shall be an additional amount at an annual rate of 9 % .

#### **Article (39)**

A- If the due tax or amounts to the Department are not paid on the dates specified in this Law, the Department shall demand the taxpayer to pay such amounts within 30 days from the date of

notification. If the taxpayer fails to do so, the due amounts shall be collected under the provisions of the State Fund Collection Law, and the Director-General of whoever he delegates shall exercise all the authorities delegated to the administrative governor and public fund collection committee provided for in that Law .

B- Notifying the taxpayer on the necessity to pay the due tax and amounts under the provisions of Paragraph (A) of this Article shall be sufficient for the Director-General or whoever he delegates to initiate the lien and seizure procedures under the provisions of the State Fund Collection Law without the need to take any of the notification or publication procedures provided for in the said law .

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

The Director-General shall take the necessary measures to ensure the following :

A- If the lien is on cash, the value of the lien shall not exceed the value of due tax, penalties, and other amounts .

B- If the lien is on non-cash, the Director-General shall, upon the request of the taxpayer, take all necessary actions to assess the value of the lien property and limit the lien on what is equal to twice the value of due tax, penalties, and other amounts under the provisions of this Law, and the assessment expenses shall be incurred by the taxpayer .

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

Any member of the tax public prosecution, upon the request of the Director-General, may request the government to issue a decision of protective lien on the movable and immovable properties of any taxpayer or ban the taxpayer from travelling if there is evidence on tax fraud cases, the Department demanded him to pay the tax or any other amounts exceeding 2,000 Dinars due under the provisions of this Law, or the taxpayer may transfer or dispose of his money in order to prevent any enforcement in any way whatsoever .

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

A- A court of first instance shall be established and called “the tax court of first instance”, comprising a president and a number of judges to be appointed by the Higher Judicial Council. This court shall look into all cases arising from implementation of the provisions of this Law and the regulations, executive instructions, and instructions issued thereunder irrespective of value and nature whether criminal or civil, and whether the related demand is related to the tax, late payment penalty, or other amounts that must be paid, withheld, remitted, or refunded under the provisions of this Law, including :

1. Cases filed to challenge against the decisions issued by the objection committee in accordance with the provisions of Paragraph (F) and Paragraph (G/2) of Article (33) of this Law .
2. Amended decisions of the challengeable audit decisions, administrative assessment decisions, or objection committee decisions under the provisions of this Law .
3. Crimes committed in violation of the provisions of this Law .
4. Requests for protective lien and ban from travelling .

B- A court of appeal shall be established and called “the tax appeal court”, comprising a president and a number of judges whose rank shall not be less than the fourth rank to be appointed by the Higher Judicial Council.

C -

1. The tax court of first instance shall convene by an individual judge .
2. The tax court of appeal shall convene by a committee of at least three judges and issue its decisions and rulings by consensus or majority .
3. The tax court of first instance and tax court of appeal shall hold its sessions in Amman or any other place it deems appropriate inside the Kingdom .

D -

1. The court shall look into the appeals filed thereto in the criminal cases unless the court decides otherwise .
2. The court shall verify the appeals filed thereto in the civil matters if the total value of the case does not exceed 30,000 Dinars, unless

- the court decides by itself or upon the request of one of the litigants to look into the case .
3. The court shall look into the personal appeals filed thereto in the cases if the total value of the case exceeds 30,000 Dinars .
  4. The court shall verify the requests filed thereto or challenged requests unless it decides by itself to look into them .
- E- The trial shall be conducted in public unless the court decides otherwise, and the cases and requests filed thereto shall be considered in a summary manner .
- F- Fees related to the cases on disputed tax and related penalties shall be collected for each tax period .

### **Article (43)**

A- The sheet of the case filed before the tax court of first instance shall include the following information :

1. Name of the court
2. Full name of the plaintiff whether the Department or whoever represents it or the name of the plaintiff against whom the challenged decision was issued along with the name of his attorney .
3. Full name of the defendant and whoever represents him, and the address of both of them for notification purposes. In case the defendant is the person who issued the challenged decision in his professional capacity, he shall be represented by the tax public prosecutor .
4. Tax identification number of the plaintiff and defendant as the case may be, and the tax period under appeal .
5. Date of written notification of the challenged decision and means of notification in case the plaintiff is the taxpayer or whoever legally represents him .
6. Value of the tax and other amounts demanded in the challenged decision .
7. Case facts and bases, as well as brief description of the reasons for appeal in separate and numbered items excluding any arguments or demands of the plaintiff.

8. Signature of the plaintiff's representative or attorney as the case may be and date of issuing the case .

B- The taxpayer shall indicate in his case sheet the admissible amount and present to the court along with the sheet a receipt of payment for such amount. The case shall be rejected if the amount specified in this Paragraph is not paid accordingly .

C- The case sheet shall be filed within 30 days from the day next to the date of notification of the appealable decision under the provisions of this Law or any other law related to the tax court of first instance .

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

The case sheet shall be filed to the tax court of first instance or via the president of the court of first instance that the taxpayer lives in its jurisdiction. In this case, the fees shall be paid to the cashier of the court to which the case sheet was submitted via its president, and this court shall send the sheet and related attachments to the tax court of first instance within 10 days from the filing date .

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

A- It is permissible for the tax court of first instance, after accepting the case in the form, to postpone it with agreement of both parties for one time or more to give the opportunity to settle the case amicably, provided that total period of postponement shall not exceed 60 days in all cases .

B- If the two parties fail to agree on postponing the case of settlement purposes, or if the settlement has not been reached during the period specified in Paragraph (A) of this Article, the tax public prosecutor shall submit the file of the challenged decision or a copy thereof. Upon submitting it, the file shall be deemed an evidence for the tax public prosecutor .

C- The plaintiff shall submit within 30 days from the date of submitting the tax file a folder containing all his documents, a list of all written evidences held by other parties, a list of names of his witnesses and their full addresses, and the facts he wishes to prove

by personal evidence for each witness separately, as well as any other evidence accepted by the law .

D- After the plaintiff presents his evidence, the defendant shall present any necessary evidence to respond to the plaintiff's evidence within 30 days from the date on which the plaintiff presented the folder containing all his documents, a list of all written evidences held by other parties, a list of names of his witnesses and their full addresses, and the facts he wishes to prove by personal evidence for each witness separately, as well as any other evidence accepted by the law .

E- The 30 day period provided for in Paragraphs (C, D) of this Article may be extended as the court deems appropriate .

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

A- The taxpayer shall prove that the amounts indicated in the challenged decision are excessive, and he may present documents that he did not present to the objection committee .

B- The court may confirm the challenged decision, reduce, increase, or cancel the related tax and other amounts. It may also refer the case back to the issuer of the challenged decision to reconsider such decision .

C- If the case is dropped for absence or any other reason, and has not been renewed, the challenged decision shall be deemed final after 30 days from the date of notifying the taxpayer or his attorney of the court's decision on dropping the case .

D- If the case is ceased due to the taxpayer's death, bankruptcy, or liquidation during the trial, the inheritors, trustee in bankruptcy, or liquidator shall follow up with the case within a maximum period of six months from the date of being notified by the court under the Civil Procedure Law. In case of failing to follow-up with the case, the challenged decision shall be deemed final .

E- The tax court of first instance shall look into all the cases that were before January 1, 2010 under the jurisdiction of the income tax court of appeal under the provisions of the Income Tax Law No. (57) of 1985

and its amendment or the Aqaba Special Economic Zone Authority Law .

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

A- The appeal shall be filed within 30 days from the next day of issuing the ruling if it is in presence or the next of notifying the plaintiff of the decision issued by the tax court of first instance if the ruling is in absence .

B- The appeal sheet shall include the following information :

1. The appellant and whoever represents him, as well as the addresses of both for notification purposes .
2. The appellee and whoever represents him, as well as the addresses of both for notification purposes .
3. The court which issued the appealed decision, its date, and number of the case under which it was issued .
4. Date of notifying the appellant of the appealed decision under the provisions of Paragraph (A) if the ruling is in absence .
5. Explain briefly all reasons for the appeal in separate and numbered items .
6. Requests of the appellant .
7. Signature of the appellant's attorney or whoever represents him, and date of issuing the appeal .
8. Both the appellant and appellee may attach an explanatory memorandum to their appeal sheets .

C- The appeal sheet shall be filed to the tax court of first instance or tax court of appeal that the taxpayer lives in its jurisdiction. In this case, the fees shall be paid to the cashier of the court to which the appeal sheet was submitted, and this court shall send the sheet and related attachments to the tax court of first instance within 10 days from the filing date.

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

A- The cassation shall be filed within 30 days from the next day of issuing the ruling if it is in presence or the next date of notifying the



appellant and appellee of the decision issued by the tax court of appeal if the decision is in absence .

B- The cassation sheet shall include the following information:

1. The appellant and whoever represents him, as well as the addresses of both .
2. The appellee and whoever represents him, as well as the addresses of both .
3. The court which issued the appealed decision, its date, and number of the case under which it was issued .
4. Date of notifying the appellant of the appealed decision under the provisions of Paragraph (A) if the ruling is in absence .
5. Clear reasons for appeal for cassation in separate and numbered items, and the appellant shall indicate his requests and may attach a printed explanatory memorandum on the reasons for challenge to the cassation sheet .

C- The cassation sheet shall be filed to the tax court of appeal or the court of appeal that the taxpayer lives in its jurisdiction. In this case, the fees shall be paid to the cashier of the court to which the cassation sheet was submitted, and this court shall send the sheet and related attachments to the tax court of appeal within 10 days from the filing date.

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

A- For each case, a fee of (3 percent) shall be collected from the difference between the tax or demand amount and the amount acknowledged by the plaintiff of such tax or demand, provided that such fee shall not be less than 30 Dinars, including the case where there is no tax or demand due to the plaintiff's loss and shall not exceed 300 Dinars for each tax period at each level of litigation .

B- The tax public prosecution shall not incur and fees .

C- The plaintiff shall pay (50 percent) of the specified fee if he renews the case dropped for the first time and (100 percent) of the fee if he renews the case dropped for the second time .

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

A- The Director-General, upon a recommendation of any member of the tax public prosecution, may conduct a settlement regarding any case filed before the court before the ruling is issued by the tax court of first instance and tax court of appeal; and the court shall at any stage approve such settlement and consider it a final ruling issued thereby .

B- If the settlement is reached under the provisions of this Law, it is permissible for the case parties to request the court at any stage of the case to confirm what they have agreed upon in the minutes of session which shall be signed by the appellant's attorney and the competent member of tax public prosecution, and the court shall approve such settlement and consider it a final ruling issued thereby .

#### **Article (51)**

A- It is not permissible for the attorney to withdraw from the case without obtaining permission from the court in attendance of the plaintiff or whoever represents him .

B- It is permissible for the plaintiff to dismiss the attorney only in attendance of the plaintiff or whoever represents him to announce the dismissal before the court .

C- If the withdrawal or dismissal takes place in the way indicated in Paragraphs (A, B) of this Article, the court shall give the plaintiff 15 days to select another attorney under liability of dropping the case .

#### **Article (52)**

The court, as the case may be, shall decide on the fees, expenses, and attorney fees in accordance with the Civil Procedure Law and Jordan Bar Association Law .

#### **Article (53)**

A- The notifications related to the tax cases shall be carried out in accordance with the Civil Procedure Law .

B- The Department shall notify the taxpayer in writing of the value of due tax and other amounts according to the court's decision .

**Article (54)**

The tax court of first instance and tax court of appeal shall apply the procedures provided for in the Criminal Procedure Law without any contradiction with the provisions of this Law, as well as the procedures provided for in the Civil Procedure Law without any contradiction with the provisions of this Law .

**Article (55)**

A- The Department shall establish a tax public prosecution office comprising an attorney-general, his assistants, and staff as needed .

B- Members of the tax public prosecution shall be appointed via a joint decision of the Minister and Minister of Justice upon a recommendation of the Director-General from the legal staff of the Department who holds at least a bachelor degree in Law with at least five years of experience including at least three years as an auditor. The appointment decision shall be published in the Official Gazette .

C- The tax public prosecutor shall represent the Department before the tax court of first instance and any other court in all cases in which the Department is a party therein, and he may take the legal and judicial procedures; file and pursue cases under the provisions of this Law; appeal and enforce related rulings; and make recommendations to the Director-General on settlement of cases .

D- The tax attorney-general or any of his assistants shall represent the Department before the tax court of appeal and any other court of appeal in all cases in which the Department is a party therein, and he may challenge the decisions and rulings issued thereby; appeal against the decisions and rulings issued by the tax court of appeal and any other court of appeal; and make recommendations to the Director-General on settlement of cases .

E- It is not mandatory that the appeal submitted before the court of cassation by the tax attorney-general or whoever he delegates should be reviewed by the head of public prosecution at the court of cassation .

F- The Minister, upon a recommendation of the Director-General, may delegate any of the tax public prosecution members :

1. Any of the attorney-general assistants to act as the public prosecutor .

2. Any of the public prosecutors to act as the assistant attorney-general .

G- The tax public prosecution shall exercise the powers vested in the public prosecution under the provisions of this Law and Criminal Procedure Law or the powers vested in the civil attorney-general .

H- Cases on the crimes provided for in this Law shall be filed upon the request of the Director-General or via a decision of the tax attorney-general .

I -

1. Notwithstanding any other law, the service of whoever occupies any of the positions of the tax public prosecution for at least five years shall be deemed an judicial service for the purposes of waiving from the training condition and admission examination provided for in the Jordan Bar Association Law .

2. The service of whoever occupies any of the positions of the tax public prosecution under the temporary Income Tax Law No. (28) of 2009 and the service of legal assessor while exercising the mandate of assistant civil attorney-general under the provisions of the Income Tax Law No. (57) of 1985 and its amendments part of the service of the tax public prosecution members for the purposes of Sub-paragraph (1) of this Paragraph .

### **Article (56)**

The taxpayer may represent himself before the court and sign the sheets and pleadings filed thereto if he is or was a judge or attorney, or any other person waived from the training provided for under the Jordan Bar Association Law .

### **Article (57)**

All trial proceedings carried out under the provisions of the Tax Procedure Regulation No. (3) of 2010 and Income Tax Appeal and Cassation Procedures No. (8) of 2003 shall be deemed correct .

**Article (58)**

A- The taxpayer's address mentioned in the registration form or in the last tax return filed to the Department shall be used for notification purposes under the provisions of this Law, and no change in the address shall be recognized unless the taxpayer notifies the Department thereof within 30 days from the date of such change under a written letter received by the Department .

B- If the taxpayer is not registered with the Department, his business address known to the Department shall be used for notification purposes under the provisions of this Law .

**Article (59)**

A -

1. The Department shall notify the taxpayer of any demand, notice, decision, memorandum, or letter issued thereby under the provisions of this Law via electronic mail, registered mail, or the licensed company on the official address of the Department under the provisions of Article (58) of this Law .
2. In case the Department notifies the taxpayer via electronic mail, the procedures and provisions provided for under the Electronic Transactions Law shall apply for this purpose .
3. If it is impossible to notify the taxpayer under the provisions of Sub-paragraph (1) of this Paragraph, the notification shall be carried out through publishing twice in two local daily newspapers, provided that the period between the first and second publication shall be at least 10 days. In such case the notification shall be deemed legal and effective .

B -

1. If the taxpayer's address is unavailable to the Department under the provisions of Article (58) of this Law, the Director-General may notify the taxpayer through publishing the notification once at least in two local daily newspapers .
  2. The auditor or objection committee, upon a justified request from the taxpayer, may not consider the publishing provided for in Sub-paragraph (1) of this Paragraph as a notification, and in this case, a new date shall apply as of the date of notifying the taxpayer with the auditor or objection committee's decision of accepting his request .
- C- In all cases, the Department may notify the taxpayer in person or through the person he delegates .
- D- The notification shall be legal after 15 days from being sent by registered mail or via the licensed company if the taxpayer is a resident in the Kingdom or 30 days from being sent by registered mail or via the licensed company if the taxpayer is non-resident in the Kingdom. To confirm the notification, it is sufficient to present an evidence that the letter containing the issued to be notified has been addressed and sent by registered mail or via the licensed company to the address provided for in Article (58) of this Law .
- E- For the purposes of counting the periods provided for in this Law, the day on which the notification takes place shall not be counted .

### **Article (60)**

A- Each liquidator of a company or inheritance, trustee in bankruptcy, or any person in charge of a similar liquidation or settlement of any kind shall notify the Director-General in writing of initiation of the liquidation or bankruptcy procedures as well as other procedures as the case may be in order to indicate and confirm the amounts due to the Department. In case of failing to do so, each of these persons shall be directly and personally liable to pay such amounts under the provisions of this Law, provided that this provision shall not exempt the inheritors from paying such amounts out of any movable or immovable properties they inherited .

B -

1. Each legal person shall obtain a tax clearance from the Department prior to sell or assign its shares or stocks or any part thereof inside the Kingdom, except for the stocks traded in Amman Stock Exchange .
2. The provisions of Sub-paragraph (1) of this Paragraph shall apply to non-Jordanian persons .

### **Article (61)**

A- The Director-General or whoever he delegates in writing may request the information needed to implement the provisions of this Law from any person or entity whatsoever, provided that employees of the public and official institutions and municipalities shall not be required to disclose any information they are required by law to keep confidential, and it is also required not to violate secrecy of banking information. Any person refusing to provide such information shall be punished by the penalties provided for in Article (66) of this Law .

B -

1. The Director-General, auditor, and the Department's employees delegated in writing by the Director-General with any of the powers provided for in this Law, while performing their duties, shall be judicial police officers within the scope of their authorities, and they may enter to any workplace; examine the stored goods, cash, machinery, books, records, and documents related to such business; seize and maintain such books, records, and documents for up to 180 days in the cases so necessitate from the date of seizure in order to implement the provisions of this Law; and examine means of transportation and goods. The Department shall upon the request of the taxpayer within up to 15 days from the seizure date provide him with an original copy of all seized paperwork and copies of the software needed to conduct his business, and in case the Department refuses to do so, the taxpayer may resort to the court in a summary manner to require the Department to provide him with the necessary copies or deliver the seized items as the case may be .

2. The official authorities shall provide necessary assistance to the Department's employees to enable them to perform their duties .

C- It is permissible to search houses only under the procedures provided for in the Criminal Procedure Law .

D- The Department shall appoint an attorney to defend any of its staff responsible for implementing the provisions of this Law in the cases filed against them due to performing their duties, provided that the concerned employee shall pay the expenses incurred by the Department in case he is found guilty .

### **Article (62)**

A- Any person who is officially tasked to implement the provisions of this Law shall :

1. Consider the books, records, information, tax returns, audit and assessment decisions, and their copies, which he has access thereto and related to the income of any person or items of any income, as confidential .
2. Sign and present a statement on secrecy of information according to the format specified by the Director-General .
3. Upon appointment, present to the Director-General a statement of his movable and immovable properties, sources of income, and properties of his spouse and underage children. He shall also indicate any changes made of such properties at the beginning of each year .

B- Any person who carries out the provisions of this Law shall not be required to present any documents, tax returns, assessment decisions, audit decisions, or copies thereof other than to the competent court; nor disclose before any court or inform it about anything he has had access to while performing his duties under this Law unless otherwise necessary to implement its provisions as decided by the Director-General in each case arising under this Paragraph or to detect any crime .

C- A penalty not less than 1,000 Dinars and not exceeding 5,000 Dinars or imprisonment of not less than four months and not exceeding one year or both penalties shall be imposed on any person



captured in possession of, or in control of any documents, tax returns, assessment decisions, audit decisions, or copies thereof related to the income of any person or items of such income, and reports it or attempts to report such information or any part thereof at any time to any person other than those authorized by the law or for any purpose other than the purposes provided for in this Law .

### **Article (63)**

An additional tax shall be imposed on the taxpayer who fails to file the tax return on the dates specified in this Law at the rate of 100 Dinars for the natural person required to file a tax return; 200 Dinars on the legal person other than public shareholding companies and private shareholding companies; and 500 Dinars on public shareholding companies and private shareholding companies .

### **Article (64)**

A- An additional tax not less than 200 Dinars and not exceeding 500 Dinars shall be imposed on the following cases :

1. If the taxpayer fails to keep books and records under the provisions of this Law .
2. If the taxpayer fails to register with the Department under the provisions of this Law.
3. If the certified public accountant fails to provide the Department with the names and addresses of his clients under the provisions of Article (25) of this Law .
4. Failure to inform the Department of any changes to the data mentioned in the registration application on the specified dates for that .
5. Failure to withhold and remit the tax to the Department under the provisions of this Law.
6. Failure to present the books and records that must be kept under the provisions of this Law .
7. Failure to issue an invoice or receipt upon the request of the recipient .

B- The amounts provided for in Paragraph (A) of this Article shall be doubled in case of recurrence .

**Article (65)**

A- The taxpayer shall pay the amounts due under the provisions of Articles (63, 64) of this Law within 30 days from the date of notification, and he may object before the Minister who may fix, reduce, or cancel such amounts in case there are justified reasons to do so .

B- The decision made by the Minister under the provisions of Paragraph (A) of this Article shall be objectionable before the court within 30 days from the date of notification, and the court may fix, reduce, or cancel such amounts .

**Article (66)**

A- A compensatory penalty equals to the tax difference shall be imposed on any person who committed, tried, helped, or provoked others to commit tax fraud by conducting any of the following acts :

1. File a tax return based upon false books or records or with the knowledge of such falsification, or including data different from with is provided in the books or records he has concealed .
2. File a tax return based upon non-availability of books and records and include data different from with is provided in the books or records he has concealed .
3. Intentionally dispose of tax related books or records prior to the end of statute of limitation under the provisions of this Law .
4. Falsify or change the purchasing or selling invoices or other documents to mislead the Department in terms of lower profits or increased losses .
5. Conceal a taxable activity or part thereof .
6. Withhold the tax under the provisions of this Law and failure to remit such tax to the Department within 30 days from the date of payment .

B- In addition to the penalty provided for in Paragraph (A) of this Article, if the tax difference exceeds 50,000 Dinars and up to 100,000

Dinars, the penalty shall be imprisonment for at least four months and not exceed one year; and if the tax difference exceeds such amount, the imprisonment penalty shall not be less than one year .

C- If the court decides to reject the objection wholly or partially, it shall under the same case impose a penalty equals to the tax difference on the tax amount for which the objection was rejected .

D- A compensatory penalty of not less than 500 Dinars and not exceeding 1,000 Dinars shall be imposed on any person violating the provisions of this Law unless indicated otherwise .

#### **Article (67)**

The certified public accountant shall be responsible for certifying the financial statements that materially do not match the reality or violate the provisions of this Law, international accounting standards, or effective laws and regulations whether such act was the result of an intentional mistake, criminal act, or gross negligence. In such case, the certified public accountant shall be deemed a perpetrator of a crime and punished by the penalty provided for in Article (66) of this Law .

#### **Article (68)**

Implementation of the provisions of this Law shall not impede application of any harder penalty provided for in any other legislation .

#### **Article (69)**

Imposing any punishment or penalty under the provisions of this Law shall not waive the responsibility of any person to pay the due tax, amounts, and penalties under the provisions of this Law .

#### **Article (70)**

A- The Minister, upon a recommendation of the Director-General and based upon a recommendation of a committee established for this purpose from the Department and Audit Bureau, ban any natural

person from visiting the Department for any case or work other than his personal case if it is proved that during the visits and interaction with the Department has committed acts that may obstruct the work procedures or abuse this Law. If this person is a certified public accountant or accountant, the Minister may decide that the Department shall not accept all the accounts prepared or audited by such person for up to three years .

B- It is not permissible for the auditor whose service at the Department was terminated to visit the Department and provide any opinion or advice on any case he previously audited or assessed .

C -

1. Notwithstanding any other law, the taxpayer may delegate another person to represent him before the Department regarding any tax audit, assessment, and collection procedures, including filing the tax return and notification procedures .
2. The Minister, upon a recommendation of the Director-General, shall issue the executive instructions that specify the provisions of delegation and representation before the Department and related conditions and procedures .

### **Article (71)**

The Director-General, upon a recommendation of any member of the tax public prosecution or upon the request of the taxpayer, may conclude a settlement regarding the tax fraud crimes provided for in this Law in case of paying the due tax, late payment penalties, and 50 percent of the compensatory penalty under the provisions of this Law. Such settlement shall result it dropping the criminal case, ceasing all related procedures, and cancelling all related effects .

### **Article (72)**

The Director-General, whoever he delegates, or auditor as the case may be and at any time may correct by himself or upon the request of the taxpayer the unintentional narrative and

mathematical mistakes in the decisions, notices, and memoranda; and the correction procedures shall not be subject to objection .

### **Article (73)**

A- Except for the authority to issue the executive instructions and instructions under the provisions of this Law :

1. The Minister may delegate any of his powers provided for in this Law to the Director-General .
2. The Director-General may delegate any of his powers provided for in this Law to any of the Department's employees .

B- Subject to the provisions of Article (21) of this Law, the delegation provided for in Paragraph (A) of this Article shall be in writing and specified .

### **Article (74)**

All persons who enjoy a preferential tax treatment under the provisions of any effective legislation prior to January 1, 2010 shall continue to be subject to the tax according to such treatment until the end of the period specified according to the provisions of such legislation .

### **Article (75)**

Unless indicated otherwise in this Law, all dates shall be calculated in months or years in the Gregorian colander, and in case the end of the period in an official holiday then it is extended to the next working day .

### **Article (76 )**

The Minister, upon a recommendation of the Director-General, may grant the Department's staff bonuses and incentives, and the amount and eligibility criteria of such incentives shall be specified under a regulation to be issued for this purpose, provided that annual allocations should be determined for this purpose within the state general budget .

### **Article (77)**

A- The Council of Ministers shall issue the regulations necessary to implement the provisions of this Law .

B- The Minister, upon a recommendation of the Director-General, shall issue the executive instructions necessary to implement the provisions of this Law, provided that they shall be published in the Official Gazette .

C- The regulations, executive instructions, and instructions issued prior to effectiveness of this Law shall remain in force as long as they do not contradict with the provisions of this Law until they are amended, repealed, or replaced under the provisions of this Law .

### **Article (78)**

A- Subject to the provisions of Paragraph (B) of this Article, no provisions provided for in any other legislation regarding imposition of or exemption from the tax wholly or partially shall apply except what is provided for in the following laws :

1. Zakat Fund Law No. (8) of 1988
2. King Hussein Cancer Foundation Law No. (7) of 1988 and its amendments
3. King Hussein Bin Talal Foundation Law No. (22) of 1999
4. Law of National Commission of Mine Action and Rehabilitation No. (34) of 2000
5. Law of National Council of Family Affairs No. (27) of 2001
6. Jordan River Foundation Law No. (33) of 2001
7. King Abdullah II Fund for Development No. (37) of 2004
8. Public Fund Exemption Law No. (28) of 2006
9. Law of Hashemite Fund for the Reconstruction of the Al Aqsa Mosque and the Dome of the Rock No. (15) of 2007
10. Law of The Royal Aal al-Bayt Institute for Islamic Thought No. (32) of 2007
11. Law of Jordanian Hashemite Fund for Human Development No. (37) of 1985
12. Laws on ratification of concession agreements .

B- The provisions provided for in the Law of Aqaba Special Economic Zone Authority and Investment Law shall apply with respect to imposition of and exemption from the tax .

### **Article (79)**

A- The temporary Income Tax Law No. (28) of 2009 shall be repealed, provided that imposition of the tax and added tax, and grating the promotional discount shall apply to :

1. Each tax year prior to 1982 under the Income Tax Law No. (25) of 1964 and its amendments.
2. The incomes generated in 1982-1984 under the temporary Income Tax Law No. (34) of 1982 .
3. The incomes generated in 1985-2009 under the temporary Income Tax Law No. (57) of 1985 and its amendments .
4. The incomes generated in 2010-2014 under the temporary Income Tax Law No. (28) of 2009 .

B- The self-assessment returns filed prior to January 1, 2010, those filed after that date for years prior to 2010, and the tax returns filed for 2010-2014 have the same meaning referred to in this Law, and the procedural provisions in this Law shall apply to them .

C- Subject to the provisions of Paragraph (D) of this Article, the following legislation shall be repealed as of effective date of the provisions of this Law :

1. Social Service Tax Law No. (89) of 1953 and its amendments .
2. Article (8/A/1) of Law Employment – Technical and Vocational Education and Training Council No. (46) of 2008 .

D- The taxes, fees, and any other amounts due under the provisions of the legislations provided for in Paragraph (C) of this Article and related to the period prior to the effective date of the provisions of the temporary Income Tax Law No. (28) of 2009 shall be collected under the provisions and procedures specified under such legislations .

E- The Law of Additional Fees for Jordanian Universities No. (4) of 1985 and its amendments shall be repealed as of January 1, 2011 .

**Article (80)**

All taxes, fees, and other amounts due under the provisions of other legislation effective prior to January 1, 2010 shall be collected in accordance with the provisions and procedures provided for under such legislation .

**Article (81)**

The Prime Minister and minister shall be tasked with implementation the provisions of this Law .



**Regulations issued under the provisions of the  
Income Tax Law No. 34 of 2014**

**Regulation No. 55 of 2015**  
**System of charges, allocations, depreciation and exemptions**  
**Issued under article 77 (a) of the law**  
**Income tax No. 34 of 2014**

**Article 1.** These regulations (System of expenses, allocations, depreciation and exemptions for the year 2015) shall be called as from 1/1/2015.

**Article 2.**The following words and phrases shall, where they are set forth in these rules, have the meanings assigned to them below unless the presumption indicates otherwise-:

Law: Income Tax Act.

Minister: Minister of Finance.

Department: Revenue and sales tax service.

Tax: Income tax.

Designated: Every person is obliged to pay, deduct or supply the tax in accordance with the provisions of the law.

Gross income: the income of the taxpayer from all taxable sources of income.

Admissible expenses: Expenses and expenses that have been or have been wholly and exclusively incurred during the tax period for the purposes of producing taxable income that may be downloaded from gross income in accordance with the provisions of the law.

Capital assets: Assets that are purchased or leased or that are held by the taxpayer in possession of a case or money for the purposes of holding them for more than a year and which are not sold or purchased within the normal activity of the duty-holder

Tax period: The period for which the tax is calculated in accordance with the provisions of the law.

Tax declaration: A statement of income, expenses, exemptions and tax due by the person according to the model approved by the Chamber.

Bank: Licensed company to practice banking in the Kingdom under the terms of the Banking Act.

Court: The competent court in accordance with the provisions of the law.

## **Section I**

### **Provisions for the downloading of admissible expenses and their procedures**

Article 3. A. The total income of the taxpayer from each taxable source shall be subject to the admissible expenses relating thereto during the tax period in accordance with the provisions of the law and this Regulation.

B. The admissible expenses shall be not more than 50%. Of gross income calculated according to the existing profit ratios issued under the tax declaration system, records, documents, profit ratios and instructions issued thereunder for those who are not obliged to organize records and documents contrary to the provisions of article 23, paragraphs (a) and (d), of Law.

## **Chapter I**

### **Bank allocations**

Article 4. A-the bank's allocation of non-operational credit facilities, which are monitored by the Bank in accordance with the provisions of the Banking Act and the instructions issued by the Central Bank of Jordan.

B. In order to download the allocations in paragraph (a) of this article, it is required to relate to credit facilities that have already been accounted for within the total income of the bank.

Article 5. The following may not be downloaded:

A. General banking risk Reserve.

B. Provision for low-control credit facilities.

C. Allocations of non-operational credit facilities not allocated to individual clients.

D. Credit facility allocations for credit facilities that arose prior to the year 2000.

Article 6. A-the tax-acceptable end-of-life debts for which provision has been made in the provisions for non-active, tax-acceptable credit facilities shall be processed relating to such debts and to individual debt, the differences between them are dealt with in the income list in the year in which the debt was considered to be mortal.

b- The taxable and tax-related end-of-life debts are processed in the income list in the tax period in which the debt is considered to be mortal.

Article 7. A. The allocation of non-active credit facilities that have been downloaded if cancelled or reduced in any tax period is credited to gross income in the tax period in which the cancellation or reduction was made.

B. The provisions for non-active credit facilities that have not been approved are not included in tax periods prior to gross income if they are approved or reduced in any subsequent tax period.

Article 8. For the purposes of this chapter:

A. All accounts of the customer (the debtor) and one unit of one bank are treated.

B. The non-working religion is cancelled for all accounts of the client at the same bank if the customer accounts and accounts are included Dina is a worker at the bank itself. The provisions for customer accounts are not considered to be tax-admissible.

Article 9. The Bank is obliged to provide an indication of the details of the allocation of non-operating credit facilities during the tax period and for each individual debt in accordance with the model issued by the service to that end.

## Chapter 2

### **Allocation of doubtful debts to the officials and companies other than banks and insurance companies who are obliged to regulate records and documents in a fundamentalist capacity**

Article 10. The term "ad hoc" in this chapter means the purposes of its total income, amounts appropriated by the officials and companies other than banks and insurance companies, committed to the regulation of records, documents and financial statements, as opposed to the balances of the debtors ' accounts related to the activity Taxable, which has been eligible for at least one year at the end of the tax period.

Article 11. The acceptance of the provision under this chapter shall require the organization of records, documents and financial statements prepared in accordance with international accounting standards. The auditor is a chartered accountant who does not relate to debts arising out of a period prior to the holding of accounts or debts arising prior to 2015.

Article 12. A-not subject to an ad hoc tax that has been or is reduced in the income list and has not been taxed in any previous tax period

B. The allowance referred to in paragraph (a) of this article shall be shown on the basis of statements indicating the name of the debtor and the amount of debt to which it is intended.

Article 13. A. An allowance for debt that is made for debts that have arisen as from 1/1/2015 and has been tripped, provided that a statement of the age of debts is prepared doubtful indicating the name of the debtor, the date of the start of the debt, the date of the maturity, the date of the last payment, the amount of the original debt, the percentage of the allotment The debtor and the summary

of the procedure followed. In any case, the legal accountant must certify this disclosure.

B. The annual allocation of the tax contained in this chapter shall be accepted from the balances of the accounts of the debtors and shall not exceed the following ratios-:

1. (5%) Of the balances that had been due for one year and less than two years.
2. (10%) Of the balances that had been due for two years and up to three years.

C. The composition of the allocation after the third year depends on the maturity of the debt.

D. Exceptions to the tax allocation in respect of accounts receivable in the following cases:

1. If any of the debtors are granted any new facilities or any sale or service is made to him after he or she ceases to pay.
2. If any of the debtors make any payments at least (50%) of the debt stock.

E. The amount of the allowance for each tax period must in all cases not exceed (1%) of accounts receivable balances at the end of the year for taxable activity.

Article 14. Subject to the provisions of article 13 of these Regulations:

A. Those who are covered by this chapter from the income tax-exempt categories are required, in whole or in part, to be exempted under the law or any other law with an ad hoc debt formation doubtful and at least the proportions referred to in paragraph (b) of article 13 of these Regulations from the beginning of the period of the tax exemption and It is a tax from this allocation that has been formed during this period and by the amount of partial tax submission.

B. A tax shall be accepted from the allocation made after the expiry of the exemption period and the attachment to debts arising during it and the amount of taxable during that period, provided that the provisions of paragraph (a) of this article are adhered to.

Article 15. A-the allowance for doubtful debts shall be reduced to the amount of the tax that is acceptable to the taxable end of the debt in accordance with the provisions of the Act and to which it has already been assigned.

B. Subject to the provisions of paragraph (a) of this article, the difference between the end-of-life and the allocated related debts shall be dealt with in the income list in that year of non-taxable sources of income.

C. End-of-life debts exceeding the value of the previously allocated allocation for tax-exempt sources of income are not accepted.

Article 16. The allowance for doubtful debts that have become end-of-life debts, in which case the provisions of paragraph (f) of article 6 of the Act, shall not be accepted by taxation

Article 17. Subject to the provisions of articles (13) and (15) of these regulations, in the event that a company other than banks and insurance companies ceases to operate definitively or liquidated or interrupted by the charge who holds the fundamentalist accounts for the final Act or ceases to hold the fundamentalist accounts the balance of the approved allotments is credited Me the taxable income of the company or the designated official in the year of final stoppage or in the final year of the liquidation years or the year of cessation of the maintenance of the fundamentalist accounts.

Article 18 Without prejudice to the provisions of Article 13 of this Law, in the event of the merger of the company other than the banks and the insurance companies of another company, the balance of the

tax-deductible provisions included in the accounts of the merged company shall be added to the balance of the merged company's allocations and become a part thereof in the year of merger, As it was on the date of merger.

### **Chapter 3** **Deprived debt**

Article (19) The deceased debts that have been calculated as part of the total taxpayer's income shall be downloaded. If the debt is collected or any part thereof, after deducting it, the amount collected shall be added to the total income in the tax period in which it was collected.

Article 20 - Any debt or any part thereof shall no longer be satisfied if the taxpayer proves any of the following cases:

A - A final judicial decision shall be issued that provides for the bankruptcy of the debtor and its guarantor or insolvency.

B - the debtor's conduct of the protective peace

C - Death of the debtor without sufficient legacy to pay the debts of the debtor in whole or in part.

D - The disappearance or travel of the debtor and the interruption of his news for a period not less than two years from the date of his travel or the date of notification of his disappearance, with no funds sufficient to pay the debts of the debtor in whole or in part.

E - The creditor has exhausted all legal means available to collect the debt.

Article 21 - A - The debts that have been rendered invalid by judicial rulings and which cannot be implemented in the enforcement departments in full are removed in one lump sum.

B- The deceased debts not included in paragraph (A) of this Article shall be reduced by not more than one hundred thousand dinars or (25%) of the net income for the tax period whichever is more.



C - For the purposes of this Article, the term "net income" shall mean the remainder of the gross income after deducting the legally accepted expenses after deducting the immovable debts mentioned in paragraph (a) of this Article and before the deduction of the outstanding debts mentioned in paragraph (b) of this Article.

Article 22 : A - To reduce the debt of the deceased covered by the provisions of this chapter, the taxpayer shall be obliged to organize the necessary records and documents in accordance with the provisions of the law, the system of tax returns, records and documents, and the profit rates issued thereunder.

B- The taxpayer shall provide information regarding the deceased debts in accordance with the form issued by the Department.

C- In all cases, and in the case of a guarantor of the debt to be amortized, that debt shall not be deemed to be exhausted until all the legal means have been exhausted for collecting the value from the guarantor.

Article 23 :Subject to the provisions of Articles (13) and (19) of these Regulations:

A- Deleterious debts those are tax-deductible in the related provisions, which are formed before 31/12/2014 and are tax-deductible‘

B- The deceased debts that are accepted by taxpayers and companies other than banks and insurance companies and are obliged to organize records and data are treated as fundamental in the related provisions which were formed after 1/1/2015 and were accepted tax

## **Chapter 4**

### **Taxes and fees paid on taxable activities of the taxpayer**

Article 24 - Taxes and fees paid on taxable activities of the taxpayer, except for amounts paid in accordance with the provisions of any law, shall be accepted.

## **Chapter 5**

### **Hospitality and travel expenses**

Article 25 (a) The actual expenditure of hospitality incurred by the taxpayer in the Kingdom in order to produce gross income shall be reduced by no more than 1% of the total taxable income or forty thousand dinars for the tax period whichever is less, regardless of the various sources of income.

B- The amounts allowed to be deducted in accordance with the provisions of paragraph (a) of this Article shall include any amounts paid to the employee for the hospitality allowance.

C- It is permissible to deduct the actual travel expenses incurred by the taxpayer for the benefit of the work.

## **Chapter 6**

### **Marketing, research, development and training expenses**

Article 26 - Training expenses shall mean the cost of the training courses incurred by the taxpayer for training and training of his staff for the purposes of the work, provided that the duration of the training course does not exceed six months, and does not include missions aimed at obtaining a degree.

Article 27 - It is permissible to deduct the acceptable expenses from the expenses of marketing, scientific research, development and training if the expenditure is solely the responsibility of the taxpayer.

## Section II

### Insurance companies' provisions

Article 28: The provisions of this section shall apply to insurance companies that carry out various insurance activities within the Kingdom.

Article 29: For the purposes of this section, the following provisions shall be accepted:

- A) Provision for unearned premiums.
- B) Provision for claims reported under settlement.
- C) Account allocation.

Article 30: (a) Provision for unearned premiums means the amount that the insurance company monitors at the end of the tax period to meet the liabilities that may arise during the remaining period of the insurance contracts concluded during the current tax period and ending during the next tax period.

B) Provision for unearned premiums is calculated as follows:

$$\frac{\text{Value of the insurance contract}}{365} \times \text{reinsurers share the number of days remaining for the insurance contract during the next tax period}$$

C) Notwithstanding the provisions of paragraph (b) of this Article, the provision for unearned premiums for insurance against transport risks shall be calculated at the rate of (30%) of the premium value of the insurance contracts effective at the end of the tax period after exclusion of reinsurers'

Article 31 (a) The provision for claims reported under settlement means the amount that the insurance company monitors at the end of the tax period to meet liabilities that may arise from accidents that occurred during the current tax period and were reported and not settled at the end of this period.

B) The provision for claims reported under settlement is calculated by adopting the estimated real value of an accredited expert for this purpose for the claims submitted by the insured less the reinsurer's share.

C) The net provision for claims under settlement for non-reported events is not accepted.

Article 32 (a) The term "accounting provision" means the difference between the value of contingent liabilities until the end of the life insurance contract period and the present value of the outstanding premiums.

B. The value of the accounting allowance shall be approved as estimated by the accredited actuarial expert for this purpose, and the auditor shall confirm the validity of this estimate.

Article 33 - When calculating the taxable income of insurance companies, the following shall be considered:

A) To be added to the taxable income, the net provision for unearned premiums, the net provision for claims reported under settlement, and the net accounting provision that was deducted from income during the previous tax period.

B.1. To be deducted from taxable income, net of provision for uncollected premiums, net of provision for reported claims under settlement and net accounting provision created at the end of the current tax period after exclusion of reinsurers' share.

2. The net of such allocations shall not exceed the amount paid by the advertiser in the accounts of the insurance company.

C) The term "net provision" means for the purpose of this Article, less the share of the reinsurers.

**Article (34)**The provisions referred to in this section shall be calculated for each branch of insurance separately.

**Article (35)** - For the purposes of applying the provisions of this section, insurance companies are required to submit detailed statements through which the provisions referred to in this section can be audited.

### **Section III**

#### **Depreciation of capital assets and amortization of intangible assets**

##### **And the expenses of prospecting for natural resources**

**Article (36)** The taxpayer shall deduct the expenses of depreciation of capital assets and the extinguishment of intangible assets and expenses of exploration for natural resources used for the purpose of producing taxable income during the tax period provided that he provides the Department with details of consumption according to the form issued by the Department for this purpose. This model

**Article (37)** A- Subject to the provisions of paragraph (b) of this Article, the amounts allowed for downloading under Article 36 of this Law shall be calculated on a straight line basis and according to the percentage indicated in Table (1) attached to this Law.

2. The expenses of exploration for natural resources shall be calculated according to the formula referred to in Table (1) attached to this Regulation, provided that the estimated quantities produced or extracted from an accredited expert for this purpose are determined.

B) The taxpayer shall have the right to accelerated consumption by increasing the percentages shown in Table 1 attached to this Law and not exceeding three times those rates, provided that the accelerated depreciation continues until the full value of the asset is consumed. Of fixed capital assets entering the Kingdom in temporary entry

C) Notwithstanding the provisions of paragraphs (a) and (b) of this Article, an economic activity that enjoys a total or partial exemption under the Investment Law shall be entitled to increase the percentages shown in Table 1 attached to this Law, including the depreciation of the original during the period the first to start the actual production.

D) The consumption of the capital asset entered into the production service in the first half of the tax period for a whole year, which is entered into the production service in the second half of the tax period for half a year

**Article (38)** the downloading procedure provided for in Article (37) of this Law shall take into account the following:

- A- The taxpayer may not consume the value of the land and any other capital assets that do not lose their value over time.
- B- The taxpayer may not claim to deduct the consumption of capital assets or extinguish moral assets exceeding or exceeding the amount stipulated in the form stipulated in Article (36) of this Law, which he submitted.
- C- The value of the asset shall not exceed the sum of depreciation and amortization under the law, this system, the previous income tax laws and the consumption instructions issued thereunder.

**Article (39)** A- The original cost of the buildings, including the cost of roads and squares in the joint investment projects of the investor, shall be calculated on the number of years of the contract equally.

(B) The income of the owner of the land shall be regarded as the income derived from the joint investment project and shall be accounted for after the end of the years of the contract and in annual installments not exceeding five years according to the following equation:

The original cost of the buildings X Number of years remaining X 2%

**Article 40A-** The consumption of buildings used for the purpose of producing taxable income shall be deemed to be acceptable and shall be calculated on the basis of the original cost.

The original cost balance of the buildings referred to in paragraph (a) of this Article shall be calculated as follows:

- B- The original cost of construction as of 31/12/1995 as specified in paragraph (c) of this article less accumulated depreciation until 31/12/1995 multiplied by the percentage depreciation that was approved for the buildings in the previous tax laws according to the type of each building. (1) in Table (2) attached to this Regulation.
- C- The original cost of the buildings referred to in paragraph (a) of this article shall be determined by the records and documents. In case of non-availability, the quality of the building, its area and the date of construction thereof shall be determined by the construction license or work permit or any other facts. 2) Attached to this system for the years 1945 to 1995.

#### **Section IV**

##### **The terms and conditions of exempting the income of persons and entities from the tax**

**Article (41)** The income of parties, trade unions and professional bodies, including chambers of commerce and industry, shall be for purposes of registration or licensing of public interest, and shall aim at serving the community and not for profit, and the income derived from its activities shall be limited to achieving its objectives and objectives. A law or regulation of any of them allows the distribution of the income earned on it to its members in whole or in part and in any form whatsoever.

**Article (42)** The exemption of the income of cooperative societies, other associations, and religious, charitable, cultural, educational, sports or health institutions registered and licensed by law within the Kingdom shall be exempted from non-profit work.

A) Its objectives under its registration or licensing shall be of public interest and shall aim at serving the community and not for profit.

B) The expenditure of the income derived from its activities shall be limited to its objectives and objectives, and the law or regulation of any of them shall not allow the distribution of the income realized to it by its members in whole or in part and in any form whatsoever.

C) The ownership of its assets shall be disposed of when dissolved or liquidated in accordance with the legislation or bylaws regulating its work to any of the exempted parties provided for in this Article or to any Ministry, Government Department, official, public or municipal institution in the Kingdom.

**Article (43)** the exemption of exempted company's income registered in accordance with the Companies Law shall require the following:

A) Its capital and its invested funds shall not be from the Kingdom.

B) The income derived therefrom has not been wholly or partly derived from funds or deposits from the Kingdom;

C) Perform business outside the Kingdom and not engage in any activity within the Kingdom, including the conclusion of contracts.

D) It shall not be entitled to any income from taxable sources of income in accordance with the law.

**Article (44):** The Company's non-profit income, which is registered in accordance with the Companies Law, requires the following:

A) That its purposes under its registration shall be of public interest and shall aim at serving the community without achieving any personal benefit.

B) The expenditure of the income derived from the activity it exercises shall be limited to the achievement of its objectives and objectives, and the income derived from it shall not be distributed to its members in whole or in part and in any form whatsoever.

C) To comply with the provisions of the Companies Law and in the event of liquidation, distribute the remaining funds and assets as follows:



1. The amount of their shares actually paid in the capital of the Company upon incorporation shall be refunded to the partners and shareholders, and if the Company's funds and assets are less than the paid-up capital, according to the percentage of their respective participation in the capital.

2. If the Company's funds and assets exceed its capital, it shall be transferred to the Scientific Research Support Fund or to public institutions or non-profit companies or associations of similar purposes by a decision of the partners or the General Assembly of the Company at the voluntary liquidation as the case may be and with the approval of the Comptroller General And by a decision of the competent court upon compulsory liquidation.

**Article (45):** For the purpose of applying the exemption provided in this section, the entities stipulated in Articles (41), (42), (43) and (44) of this Law shall be obliged to:

- A. Organizing the necessary records, documents and financial statements in accordance with the provisions of the law and the regulations issued thereunder, and submitting them with the tax declaration of the Department not later than the last day of the fourth month following the end of its tax period
- B. The deduction and supply of the tax in accordance with the provisions of Article (12) of the Law and the deduction instructions.
- C. To provide the Department with the names of the suppliers of goods and services and sub-contractors that deal with them in four sections and their full addresses and amounts due to them according to the approved form of the Department.

**Article (44) A-** Any of the entities stipulated in Articles (41), (42), (43) and (44) of this Law shall lose its right to exemption in any of the following cases:

- 1. The conclusion by this body of any contract or agreement with any person, including its members, if such contract or convention

includes what is considered a tax evasion or a transaction of fake or artificial behavior in accordance with the provisions of the law.

2. The commission of this act for any of the acts stipulated in Article (66) of the Law or the violation of the provisions of this Law
3. (B) A person who has lost his right to an exemption pursuant to paragraph (a) of this Article shall be liable for income earned for the tax period or periods prior to the violation in the tax period in which such violation was discovered.

**Article (47)** The Minister of Finance shall issue the necessary instructions to implement the provisions of this Law.

<b>Table No. 1</b>				
<b>Table of percentages of consumption and amortization of intangible assets and expenses for exploration of natural resources</b>				
Capital origin or moral origin and expenses of prospecting for natural resources				Consumption ratio
<b>Part One: Buildings</b>				
1	Industrial buildings containing machinery, equipment and operating equipment			4%
2	Non-industrial buildings / ordinary or prefabricated			2%
3	Temporary and non-durable structures that can be dismantled, transported and re-installed such as hangars, prefabricated buildings, wells, reservoirs, towers			10%
<b>Part Two: Furniture and Furnishings</b>				
1	Finished furniture for storage and storage of metal, such as pickpockets and safes			5%
2	Furniture and furnishings used in hospitals, hotels, hostels, cafes, restaurants, showrooms, entertainment venues, restrooms, swimming pools and resorts			15%
3	Furniture and furnishings not provided for in items (1) and (2) of this section			20%
<b>Part Three: Transportation</b>				
1	Air and land transport			15%
2	Maritime transport, pipes and pipelines			15%
3	Means of transport other than those mentioned in paragraphs (1) and (2) of this section			15%
<b>Part 4: Machinery, machinery, equipment and tools</b>				
1	Computer hardware and related equipment and medical equipment			35%
2	Equipment and tools used in production including glassware, medical kits and linens			35%
3	Machines, machines and equipment other than those provided for in paragraphs (1) and (2) of this section			20%
<b>Part 5: Moral Assets</b>				
1	Free and open			25%
2	Computer Programs			50%
3	Other intangible assets, including goodwill acquired, patent, trademark, design, mix, composition, secret operation, copyright, copyright, franchise, use or right to use industrial, commercial or scientific equipment and related experience			10%
<b>Part 6: Expenses for exploration of natural resources</b>				
Their annual consumption is calculated according to the following equation:				According to the equation
	<u>Quantities produced or extracted during the tax period</u>	X	Actual exploration expenses	
	<u>Total quantities estimated to be produced or extracted</u>			

<b>Table No. 2</b>				
<b>Appendix No. 1</b>				
Percentage of consumption of buildings				
#	Quality of buildings	Year 1954 - 1981	Year 1982 - 1984	Year 1985 - 1995
A	The buildings of the first category are built of stones	1.50%	2%	2%
B	Buildings of the first class established of reinforced concrete (concrete)	2%	3% - 4%	4%
C	Constructions of the second type constructed from the pre-made concrete materials PRECAS	4%	5%	5%
D	Buildings of the third category constructed of non-durable materials but do not include temporary buildings	6.50%		
E	Buildings made of wood and prefabricated buildings PREFAB		10%	10%
F	Iron Hanger		3% - 4%	4%

<b>Appendix No. 2</b>										
Construction costs in Jordanian Dinars per square meter										
Building quality	Year 90-95	Year 85-89	Year 80-84	Year 75-79	Year 70-74	Year 65-69	Year 60-64	Year 55-59	Year 50-54	Year 45-49
Stone structures with stone facades 100%	150-200	120-160	90-100	80-90	50-60	30-40	25-30	22-24	20-22	18-20
Stone structures in which stone facades are less than 50%	120-160	110-150	75-90	60-70	30-40	25-30	20-25	17-19	15-17	14-16
Prefabricated concrete buildings	90-120	90-120	80-90	55-65	25-35	15-30	15-20	15-20	17-20	15-18
Brick building	70-90	60-75	40-60	40-60	25-35	25-30	17-20	14-17	13-15	12-14
Prefab / prefabricated houses (plastic)	120-150	80-100	80-90	70-90						
Metal structures	75-100	65-80	55-65	55-65	40-50	35-45	20-30	15-18	10-12	10-12
Specialized buildings including: hotels, hospitals and commercial centers	250-320	200-300	200-250	175-200	150-170	110-150	80-100	50-60	45-55	35-40

**Regulation No (56) for the year 2015**  
**The system of the objection to income tax**  
**(Issued under item (2) of paragraph (a) of Article (33**  
**Of the Income Tax Law No. 34 of 2014**

**Article (1)** This system shall be called (the system of the objection authority for income tax for the year 2015) and shall come into effect as of 1/1/2015.

**Article (2)** Unless otherwise indicated by the context, the following words and expressions wherever stated in this Law shall have the meanings assigned to them below:

Law: Income Tax Law.

Department: Income and Sales Tax Department.

Tax: income tax.

The taxpayer: Every person is obliged to pay the tax, deduct it or supply it according to the provisions of the law.

Tax Period: The period for which the tax is calculated according to the provisions of the law

The Object of Objection: The objection body formed under the provisions of the law.

**Article (3)** Subject to the provisions of paragraph (a) of Article (33) of the law, if the objection form contains more than a tax period and the amount of tax objected to it for one of these periods exceeds five thousand dinars or if the net income objected to more than Fifty thousand dinars, which is considered by an objection panel composed of three auditors with experience and competence.

**Article (4) a** - The taxpayer personally or his representative shall submit the objection according to the approved form of the department, including the following data:

1. The taxpayer's name, tax number, national number and last address.
2. The Directorate to which it is subject and the period or tax periods objected thereto.
3. The date of the written notice of the objection and the method of notification.
4. Amount of tax, fines and other amounts recognized by the objector.
5. The reasons for the objection and its support and the requests of the objector and the right to attach an explanatory memorandum for these reasons.
6. Signature of the objector and the date of submission of the objection form.

B) The form of the objection submitted in accordance with the provisions of paragraph (a) of this Article shall be stamped by the competent department of the Department with a stamp showing the date of its submission. It shall be registered in a special register and shall be given its own number.

C) The Director of the Directorate or the person acting in his place shall designate the objection body competent to hear the objection and shall transmit to it the objection form and its annexes and the tax file containing the objection.

D) The objecting objection body shall invite a hearing to consider its objection.

**Article (5) A-** The objection body shall consider the objection in form to ascertain the following:

1. Submission of the objection was during the legal period.
2. The objector has paid the amounts admitted.
3. The decision objected to the decisions are subject to objection.

B.1 The Objection Board shall issue an admissible decision to accept or reject the objection in the form. In the event that the Objection Authority decides for any reason to reject the objection in such a way as to prevent it from considering the reasons for the objection in respect of the matter

2. If the decision of the objection body to accept the objection is issued in a form that considers the objection as a matter in accordance with the law and this law.

**Article (6)** The Object of the Object of the Object of the Object of the Object of the Object is to present any written evidence submitted by the objector, which has decided to accept it, after marking it, giving it a serial number and adding it to the object of the objector.

**Article (7)** (a) The Appeals Board shall record the dates of its meetings for the consideration of the objection application and the presence or absence of the objector on the dates specified in the minutes of the objection.

B - Object of the objection on the written request of the objector and for reasons justified postpone the date of the hearing of objection for a period of not more than ten days and one time.

C- In the event that the objector or his representative does not attend any specific date for him, the objection authority may issue the decision on the object of the objection according to the rules stipulated in the law and this system

**Article (8)** A- The decision of the objection body shall include the name of the member of the objecting body that issued the decision, the date of its issuance, the name of the objector, his presence or absence, and an outline of the facts of the objection and the reasons for the decision.

The objection file shall contain the form of the objection list, any explanatory regulation submitted by the taxpayer, the delegation of the objector or his agency, as the case may be, the decision to form the objection board, the objection record, and all the data and papers presented at the objection stage.

**Article (9)** If the objection board consists of three members, its resolutions shall be passed by a majority vote of its members and the violating member shall indicate the reasons for his violation at the end of the decision.

**Article (10)** The Minister of Finance shall issue the necessary instructions to implement the provisions of this Law.



**Regulation No. (59) for the year 2015**

**System of tax returns, records, documents and profit ratios**

**(Issued pursuant to paragraph (a) of Article (77**

**Of the Income Tax Law No. 34 of 2014**

**Article (1)** This system shall be called (the system of tax returns, records, documents and profit rates for the year 2015) and shall be effective from 1/1/2015.

**Article (2)** The following words and phrases wherever stated in this Law shall have the meanings assigned to them below unless the context indicates otherwise:

Law: Income Tax Law.

Department: Income and Sales Tax Department.

Tax: income tax.

The taxpayer: Every person is obliged to pay the tax, deduct it or supply it according to the provisions of the law.

Business activity: An activity carried out by a person for the purpose of making a profit or gain, including commercial, industrial, agricultural, professional, service or craft activity.

Taxable income: The remaining gross income after deducting the acceptable expenses and the loss from the previous tax periods, personal exemptions and donations, respectively.

Tax payable: The amount of tax due in accordance with the provisions of the law.

Balance of tax due: The amount of tax due after the deduction as required by the provisions of the law and the payment of tax payments provided and taxes deducted from the source, unless they are deterministic.

Tax Period: The period on which the tax is calculated according to the provisions of the law

Tax declaration: A declaration of income, expenses, exemptions and tax due by the person according to the approved form of the department.

Person: natural or legal person.

Natural person: who resides in the Kingdom for period of not less than (183) days during the tax period whether his stay is continuous or intermittent or the Jordanian employee who actually works for any period during the tax period of the government or any of the public official institutions or public institutions within the Kingdom Or outside.

## **Chapter One**

### **Ways to submit a tax return**

**Article (3)** A- The taxpayer, in person or his representative, shall be required to submit the tax return to the Department before the end of the fourth month following the end of the tax period, including particulars related to his income, expenses and exemptions and the tax balance due.

The taxpayer shall be obliged to attach the records, documents and financial statements with the tax declaration submitted to the department according to the means specified in paragraph (a) of Article (26) of the law or any other means approved by the Department for this purpose. In law.

**Article (4)** A- The taxpayer may amend his tax declaration submitted to the Department except for the tax return for which an audit memorandum or decision of acceptance was issued in accordance with the provisions of Article (28) of the Law.

B- The tax return from the taxpayer shall be amended either by increasing the income or tax or decreasing any of them according to the

approved declaration form approved by the Department for this purpose.

C- The amendment of the declaration shall not be considered in case this amendment includes an increase in favor of the department unless it is accompanied by the payment of the tax and the fine of the delay resulting from it.

**Article (5)** If the taxpayer submits more than one tax declaration for the same tax period, the Chamber shall approve the first declaration and no tax returns other than the amended declarations submitted subsequently in accordance with the provisions of Article (4) of this Law.

## **Chapter II**

### **Categories of Exempt Executives**

#### **Submit tax returns**

Article (6): The following categories shall be exempted from submitting the tax return:

1. A natural person whose income is limited to business activity and whose sales or revenues do not exceed the limit of registration in accordance with the General Sales Tax Law
2. A natural person whose income is limited to retirement and does not exceed in the tax period the following:
  - (A) (54000) dinars for the non-breadwinner
  - (B) (66000) dinars for the cost of the breadwinner.
3. A non-resident natural person whose income is limited to retirement and does not exceed these income (3500) dinars per month.
4. A person whose annual income is limited to income subject to tax payable in accordance with the provisions of the law.
5. A resident natural person whose net annual income does not exceed any taxable income except for taxable income:

A- (12000) dinars for the non-breadwinner.

B - (24000) dinars for the cost of the breadwinner.

B. The exemption of the categories mentioned in this Law shall not prevent the filing of tax returns if it so wishes.

C- The exempting of the categories mentioned in this Law shall not mean the provision of tax returns, exemption from tax.

### **ChapterIII**

#### **Organize records, documents and financial statements**

##### **And the exception to its regulation**

**Article (7):** Subject to the provisions of Articles 8 and 9 of this Law

A. The taxpayer shall be required to organize the records and documents required to determine the amount of tax due, provided that it is prepared in accordance with international accounting standards and is audited and certified by a licensed legal accountant and practicing auditing profession.

B. The organization of records and documents necessary to determine the amount of tax due shall be excluded from the following categories:

1- The taxpayer whose income is limited to the job.

2 - The taxpayer whose income is limited to income subject to tax deductible.

**Article (8):**(a) The natural persons of the categories listed below shall organize a journal and a book of accounts and submit an account for the annual revenues and expenses, at least, provided that such accounts are supported by supporting documents and by the disclosure of due amounts and other disclosure of the assets covered by the consumption provisions

1. Doctors.

2. Engineers.
3. Lawyers.
4. Accountants and Certified Public Accountants.
5. Experts and consultants.
6. Persons authorized to review government agencies or private entities to complete transactions.
7. Brokers.
8. Owners of properties with income from leased property.
9. Natural person other than those mentioned above whose income is limited to a profession, a craft, three public vehicles, three construction mechanisms, and more.

B) The persons specified in paragraph (a) of this Article may be regulated by non-accountants and accountants to organize books of income, costs and expenses instead of the journal.

C) The provisions of paragraph (a) of this Article shall not apply to persons engaged in the field of medical, engineering and legal consultations and shall organize records and documents in accordance with Article (23) of the Law.

D) Natural persons whose income is restricted to investment shall be required to organize and keep records and documents prepared in accordance with international accounting standards for the period prescribed by law without requiring them to be audited and certified by a licensed legal accountant and practicing auditing profession.

E) Where the natural persons specified in paragraphs (a) and (d) of this article have not complied with their provisions, their right to enjoy the exemption contained therein shall be violated and the provisions of Article 23 of the Law shall apply to them.

**Article (9)**A) Subject to the provisions of Article (8) of this Law, the natural person, the partnership company and the simple

recommendation company, which does not exceed the sales of any of them, shall be required to pay JD (160,000)

1. The record of purchases and includes invoices for the purchase of goods, services and customs import transactions.
2. The sales record includes the billing data released for its sales.
3. The export and re-export register, including the details of the consignments issued, including the export statement number and date, the export center, the country of destination, a copy of the customs declaration showing the original or the letter of payment from the Customs Department and the invoice numbers related to the issued customs declaration.
4. Accounts receivable Accounts receivable, accounts payable, receivables and payables are recognized on each of these receivables.
5. Inventory statement shows the stock of the last tax period in terms of value and quantity for each item of this inventory.

B) The Director may obligate any person or group of persons to organize records and documents indicating the amount of their sales and taking into account the nature of their work and activities and to exempt them from auditing and certifying them from a licensed legal accountant and practicing auditing profession.

**Article 10 (a)** Every person who has a source of income or more liable to tax other than the function, whether covered by the provisions of these regulations or not included to keep invoices for his sales of goods or services and invoices for his purchases and documents to strengthen its expenses and to submit these invoices and documents upon request for the purposes of examination and verification For the purposes of the law and this system.

B. The invoices referred to in paragraph (a) of this Article shall contain the following basic information:

The serial number, the name of the issuing entity, the name of the issuing entity, the place of its liberation, the type and quantity of the

goods or services, the value of the unit, the total invoice value, date and signature.

**Article 11** - In the event that the taxpayer does not regulate the records and documents binding in accordance with the provisions of this Law, the profits of goods, goods or services dealt with by the commercial, industrial and service sectors specified in this Law and the instructions issued thereunder shall apply to him.

**Article 12** (a) Subject to the provisions of paragraph (a) of Article (7) and Articles (8) and (9) of this Law, the taxpayer may use computers in the organization of his records, documents and financial statements. The following- :

1. Preserving the original documents and documents that have been strengthened for them for the period prescribed by law, taking into account the nature of such accounts and in a manner not inconsistent with the provisions of the law and this system.
2. To comply with the following conditions:
  - (A) Not to allow any modification, alteration or deletion of the data entered.
  - (B) The entered data shall include the electronic signature of the entrance.
  - (C) Documenting the data to reflect the reality of the financial situation of the taxpayer.

B. The taxpayer who uses the computers in the organization of his records, documents and financial statements shall submit a certificate from the person who prepared the system and the programs used therein. These rules and programs shall comply with the conditions stated in paragraph (a) of this article. An amendment to the system or programs used, whether that of the employees and employees of the taxpayer or from any other party, whatever, according to the model adopted by the Department

**Article (13):** A copy of the financial statements shall be attached with the tax returns, including the balance sheet, the income statement, the cash flow statement, the statement of changes in equity, the list of

clarifications and the inventory of the goods for the tax period derived from the records and documents in accordance with the provisions of paragraph (a) And Article (8) of this Law.

**Article (14)** The Director may obligate any person engaged in business activity to organize records and documents in accordance with the provisions of Article (23) of the Law and to keep them for the period prescribed by law and if not obliged to organize them in accordance with the provisions of this Law.

## **Chapter 4**

### **Rate the existing profits for your goods, goods, or services**

#### **Commercial, industrial and service sectors**

**Article 15** (a) This chapter shall apply to taxpayers who are not obliged to organize the records, documents and financial data necessary to determine the amount of tax due in accordance with the provisions of article 23, paragraphs (a) and (d) (3%) to (60%) and on the basis of annual sales cost or profit as appropriate, in accordance with the provisions of this Regulation and the instructions issued pursuant thereto.

(B) Notwithstanding the provisions of paragraph (a) of this Article, if the Department determines that the real profit rate of the taxpayer's activity is higher than the percentage stated in this Regulation and the instructions issued pursuant to it,

**Article (16)** A- The existing profit ratio shall be approved from (25%) to (40%) of the revenues due to the construction and housing sectors, offices and engineering companies.

B- The taxpayer, to whom the provisions of paragraph (a) of this article apply, shall comply with the following:

1. The deduction and supply of the tax in accordance with the provisions of Article (12) of the Law and the deduction instructions applicable in the Department.



2. To provide the Department with the names of suppliers of goods and services and subcontractors who deal with them from four sections and their full addresses and amounts due to them according to the approved form of the department.

C- In the event that the taxpayer fails to comply with any of the provisions of sub-paragraphs (1) and (2) of paragraph (b) of this Article, a percentage (5%) shall be added to the percentage of profits mentioned in paragraph (a) of this Article.

**Article 17 (a)** An existing profit per kilogram of gold and jewelry shall be approved from (1000) JD to (2200) JD, according to the turnover rate of the working capital of the trader, which is mainly based on the estimate.

B- An existing profit rate (15%) of the working capital value of diamond, jewelry and precious stones customers shall be approved. In case of importation, the taxpayer shall be charged on the basis of the value of import or working capital whichever is greater.

C- An existing profit per kilogram of gold shall be approved by type of JD (50) to (700) JD. The amount deducted by the Ministry of Industry, Trade and Supply shall be the basis for the estimate.

D- The existing profit for the works that are in the work of maintenance, repairs, finishing and installation of stones shall be approved from (3000) JD to (14000) JD, depending on the number of employees.

E- If the taxpayer covered by this Article exercises his activity in this sector for a period of less than one year, he shall be held liable for the profit for that period.

F- For the purposes of this Article, the working capital approved by the General Association of the owners of the shops of the trade and the formulation of jewelry and jewelry and the Department of Working Capital Validation shall be approved.

**Article (18):** An existing profit for bakeries shall be calculated as follows:

- A) Standard flour: (10) dinars for each ton.

B) flour of zero and flower: (12%) according to the following equation:

(The quantity of flour of this category in kilo  $1.3 \times 75$  piasters selling price per kilo  $\times$  profit ratio is present (12%)).

**Article (19)** The commission of the broker shall be determined in the central and wholesale markets by (5.25%) and the value thereof shall be calculated by adopting the fees specified in the books issued by the Greater Amman Municipality or Municipalities according to the following equation:

Value of fees  $\times$  5.25%  $\div$  4% = Profit from commission.

**Article (20)** A- Annual profit for the mechanisms is calculated from (5000) JD to (40000) JD according to its type and nature of its work.

B-1. Annual profit for cars is calculated from (5000) JD to (12000) JD by type and category.

2. The annual profit of buses is calculated from (9000) JD to (30000) JD by type and load.

3- The driver's salary shall be calculated from (4000) JD to (6000) JD additional income if the owner of the vehicle works on it.

C) The provisions of paragraphs (a) and (b) of this Article shall apply to natural persons, solidarity companies, simple recommendation companies and registered cooperative societies in the Kingdom.

D.1 An annual profit from passenger transportation for one bus to any entity other than the entities referred to in paragraph (c) of this Article shall be calculated at (40,000) JD.

2. The existing profit referred to in paragraph (1) of this paragraph shall include income derived from the fare of the passenger, including the transport of his baggage and the fees for his visa service.

**Article (21):** The taxpayer who has not committed to submit the tax or tax return that did not attach his accounts, documents and financial statements with his approval submitted to the Department on its legal

date and has already been complied with in accordance with the provisions of this Law shall be entitled to be held accountable on the basis of records and documents for the same year.

**Article (22)** The Minister of Finance shall issue the necessary instructions for the implementation of the provisions of this Law.

**Executive Instructions issued by the Minister  
of Finance under the provisions of the  
Income Tax Law No. 34 of 2014**

## **Executive Instructions**

### **No. (1) for the year 2015 - Income Tax Deduction Instructions**

**Issued pursuant to the provisions of paragraph (f) of Article (12) of the  
Tax Code**

### **Income (34) for the year 2014**

**Article (1):** These instructions shall be called (Income Tax Deduction Regulations for the year 2015) and shall be effective as from 1/1/2015.

**Article (2):** The following words and phrases wherever stated in these Instructions shall have the meanings assigned to them below unless the context indicates otherwise:

Law: - The Income Tax Law in force.

Department: - Income and Sales Tax Department.

Minister: - Minister of Finance.

Director: - Director General of the Department.

Tax: - Income tax imposed by law.

Salary or remuneration: Any salary, wage, bonus, bonus, allowance or any taxable or in-kind privileges in respect of which the employee is entitled to employment.

Employer: Any person legally responsible for paying any salary or remuneration on his behalf or on behalf of another person.

Employee: - Natural person who receives a salary or salary from employment in the public sector or the private sector.

Period: - The tax period on which the tax is calculated according to the provisions of the law.

Person: - Natural or legal person.

## Salaries and wages

**Article (3)** A- Upon first use, the employee shall submit to the employer an organization certificate in two copies according to the form adopted by the Department, including a statement of his family status. In the event of any change or modification to the data contained in the said certificate, the employer shall be notified of this.

B- The employer shall provide the Department with a copy of the certificate within thirty days from the date of receipt thereof, as well as whenever the auditor requests him to do so.

**Article (4)** A- The employer shall, when paying a monthly salary or wage, be taxable to an employee on his / her job, in addition to any non-monthly amount as an annual remuneration, housing allowance or similar functional benefits exceeding 1/12 of the total exemptions due to him in accordance with section 1 (A) of Article (9) of the Law and in light of the information stated in the certificate provided for in Article (3) of these Instructions, the tax shall be deducted from such increase as follows:

1. (7%) for each of the first (833) dinars
2. (14%) for each of the following (833) dinars.
3. (20%) for each dinar of the following.

B- 1. The employer shall, upon payment of a remuneration or travel allowance to the members of the Board of Directors, be entitled to deduct 7% of the total amount paid.

2. The employer shall, when paying end of service benefits or any collective arrangements approved by the Minister, take into account the following:

A) Not to deduct any amounts due as end of service indemnity for periods prior to 1/1/2010.

B) Deduction of (7%) of the amounts exceeding (5,000) five thousand Dinars of the end of service benefits payable to the employee for the periods from 1/1/2010 onwards.

C) Every legal person, when paying any pension under the legislation in force, shall deduct the income tax for amounts exceeding (3500) JD of the total monthly pension, including the allowance, in accordance with the provisions of paragraph (a) of this article.

D) The amounts deducted shall be supplied to the Department according to the approved form within thirty days from the date of payment as payment on account of the tax payable by the employee.

**Article (5)** A. The employer shall maintain a special register in which the names, salaries, wages, family status, exemptions due to them, their tax deductions and amendments thereto shall be recorded in the register and shall include necessary observations that facilitate the task of the auditor including the reasons for discontinuing the tax deduction. For any employee

B. The employer, other than the ministries and government departments, shall provide the Department during the first month following the end of each year with a statement containing the names of the employees, their salaries, their wages and the tax deducted during the year ended.

C. The auditor shall have access to the record provided for in paragraph (a) of this Article and any other records relating to employees in order to ensure that the employer complies with the legal provisions and procedures related to the deduction and payment of the tax. The employer shall facilitate the auditor's task and enable him to inspect the records and papers required, In accordance with the provisions of paragraph (b) of Article (61) of the law.

D. The auditor may ask the employer to adjust the amount of tax deducted from the salaries and wages of any employee in order to correct any incorrect deduction.

E. 1. The auditor of the Department shall accept exemptions for the expenses of treatment, education, rent, interest of housing loans and Murabaha on housing, technical, engineering and legal services of the natural person up to a maximum of 4000 dinars, provided that such bills or documents are provided.

2. The acceptance of the exemption for expenses referred to in paragraph (a) of this Article shall require that the invoice or document be related to:

A) The expenses of surgery or residence in a hospital in the Kingdom or abroad for him or his dependents and paid by him.

B) Interest or Murabaha paid by him to any bank or company in the Kingdom or abroad for the establishment or purchase of housing in the Kingdom.

C) Education expenses for him or his dependents starting from the compulsory stage and beyond and paid by him within the Kingdom or abroad.

D) Expenses for technical, engineering or legal services paid by him in the Kingdom or abroad

Invoices or documents include the following:

A. The serial number of the invoice or document and its date.

B. Name, address, stamp and tax number of the service provider, if any.

C. Name of Beneficiary.

D. Type and value of service.

E. Certification by the official authorities if the service is provided outside the Kingdom.

F) In all cases, the amount of the exemption granted under paragraph (e) of this Article shall not exceed 4000 dinars for the taxpayer, his wife and his dependents



**Article (6)** A.The employer shall provide the employee if he is required to do so at the end of each year or at the end of his service by a certificate according to the approved form indicating the total salaries and wages and the amount of tax deducted during the year or years subject to the request.

B. Upon the termination of service of any employee, he shall verify that the tax due on the salaries and wages paid to him during the period of his employment has been cut and paid to the Department in accordance with the provisions and procedures provided for in the law and these instructions and shall provide the Department with a certificate containing such data according to the approved form To this end.

### **Lottery and lottery profits**

**Article (7)** A- Every person who pays prizes or cash or in-kind cash prizes, in excess of the amount or value of any one thousand dinars, shall be entitled to deduct 15% according to the form approved by the Department.

B- For the purpose of calculating the value of the lottery or the in-kind prize, the value of the income shall be calculated according to the market price at the date of payment.

C- The amounts deducted by the Department within thirty days from the date of payment shall be supplied as a preemptory tax.

### **Service allowance**

**Article (8)** A-Every legal person residing on payment of any sum in lieu of a taxable service, such as fees, wages or the like, to a resident of doctors, lawyers, engineers, auditors, experts, consultants, commissioners, agents, insurance agents, reinsurers, arbitrators, brokers, brokers, agents, commission brokers and financial intermediaries And commission brokers to deduct 5% of the commission according to the model approved by the Department.

B- For the purposes of this Article, the term "to a resident" means the natural person and the civil companies registered under the Companies Act in force.

C- The Minister may, upon the recommendation of the Director, add any other service to the services contained therein Paragraph (a) of this article.

D. In all cases, the person providing the service shall provide the Department every three months with a statement containing the name, address, paid amount, tax number and period during which the service was performed.

E. The amounts deducted shall be supplied to the Department within thirty days from the date of payment as a payment on the tax account of the person performing the service.

#### **Interest and profits of deposits and commissions**

**Article (9)** A) The banks and financial companies in the Kingdom shall deduct 5% of the amount of the interest of the deposits and commissions and the profits of the deposits participating in the investment of the banks and financial companies that do not take interest in any interest paid to any person and supply the amounts deducted to the Department according to the approved form within thirty days from the date Pay it.

B) The provisions of deduction referred to in paragraph (a) of this Article shall be excluded from the following provisions:

1- Interest and profits of deposits and commissions realized by banks with other banks.

2- The exempted persons are exempted from tax under the provisions of the law in respect of exempted income only.

3- Any other entity approved by the Minister with the recommendation of the Director.

C) The amounts deducted as provided in this Article shall be deemed to be:

1. A lump-sum tax for the non-resident legal person and the natural person, whether resident or non-resident.
2. A payment at the expense of the tax for the resident legal person.

### **Non-resident income**

Article (10) A. Subject to the provisions of Article (9) of these Regulations, any person who pays an income not exempt from tax for a non-resident directly or by means of the medium shall deduct 10% of its amount and provide the amounts deducted to the Department according to the approved form within thirty days from The date of payment or entitlement whichever is earlier.

B. The amounts deducted as provided in this Article shall be deemed to be a peremptory tax

### **Common provisions**

**Article (11):** - Subject to the provisions of paragraph (a) of Article (36) of the law, each person obliged to deduct in accordance with the provisions of the law and these instructions to supply the tax cut to the Department within thirty days from the date of payment or entitlement, The deduction shall be taxable as a tax due from the date specified for its delivery.

**Article (12)** Every person who deducts the tax in accordance with the provisions of the law and these instructions shall supply it to the Department within thirty days from the date of payment or entitlement as the case may be. In case of failure to supply it during the specified period, ) Of the Act.

**Article (13):** These instructions shall apply to the year 2015 and the following.

**Executive Instructions No. (2) for the year 2015**  
**Instructions of Methods of Payment, Supply and Installment of Income Tax Issued in accordance with the provisions of Paragraph (d) of Article (36) and Article (37) of the Income Tax Law No. 34 of 2014**

**Article (1)** These instructions shall be called (Instructions for Methods of Payment, Supply and Installment of Income Tax for the year 2015) and shall come into effect as of the date of their publication in the Official Gazette.

**Article (2)** The following words, wherever stated in these Instructions, shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Department: Income and Sales Tax Department.

Director: Director General of the Department.

Tax: Income tax imposed by law.

Balance of tax due: The amount of tax due after the deduction as required by the provisions of the law and the payment of tax payments provided and taxes deducted from the source unless they are deterministic.

Tax declaration: A declaration of the income, expenses, exemptions and taxes due by the taxpayer according to the form approved by the Department.

Tax Period: The period on which the tax is calculated according to the provisions of the law

**Article (3):** These instructions shall apply to:

a. The tax stated in the tax return.

B. Balance of the tax due in accordance with the law.

C. Amounts to be paid or supplied by the law at the expense of the tax.

Dr. Fines and any other amounts determined in accordance with the provisions of the law.

e. The tax and the fine due are due under the provisions of paragraph (a) of Article (30) of the Law.

**Article (4):** The tax or any amounts due to be paid, truncated or supplied shall be due on the following dates:

a. Before the end of the fourth month following the expiry of the tax period in the event that the tax return is submitted or not submitted during the legal period.

B. Within thirty days from the date of payment or entitlement to income subject to deduction in accordance with the provisions of Article (12) of the Law.

C. Within thirty days from the date of termination of each of the first half or the second half of the tax period of the taxpayer covered by the provisions of paragraph (b) of Article (19) of the law.

**Article (5)A.** In the event of non-payment of the tax or its supply in the dates specified in Article (4) of these instructions, a delay penalty of four thousand per thousand of the unpaid tax balance or any amounts to be deducted or supplied shall be paid for each week of delay or any part thereof. Until the date of payment

B. Notwithstanding the provisions of paragraph (a) of this Article:

1. If the taxpayer submits the tax return and the payment of the authorized tax on the specified date and then he must pay any tax difference in accordance with the provisions of the law, he shall be liable to a delay penalty for the amount of tax difference from the date of notification of the audit decision if the amount of the difference does not exceed five thousand dinars. If the amount of difference exceeds five thousand dinars, the provisions of paragraph (a) of this article shall apply to him.

2. If the taxpayer presents an objection to the audit decision or administrative assessment, and the objection authority does not issue a decision on the objection within 90 days from the date of its submission, no delay fine shall be calculated for the period from the expiry of this period until the notice included in the decision.

C. Subject to the provisions of paragraph (b) of this Article, fines shall not be suspended at any stage of the appeal.

D. No fines shall be imposed on the amount of added tax imposed under the provisions of Articles (63) and (64) of the Law.

E. Subject to the provisions of this Article, the fines related to the tax period 2015 and the following shall not exceed the amount of the tax.

**Article (6)** A. The tax, amounts and penalties referred to in Article (3) of these Instructions and payable by any taxpayer upon a request submitted by him may include the reasons for the installment in accordance with the following provisions:

1. Payment of at least 25% upon approval of the installment request. In exceptional cases, the Director or his delegate may reduce this percentage.
2. The rest shall be paid in monthly installments in the following order:
  - A- By a decision of the Director of the Competent Directorate authorized by the Director if the installment period does not exceed eighteen months.
  - B- By a decision of the Director if the installment period exceeds 18 months.

B. The Director or his authorized representative may request the guarantees he deems appropriate for the payment of the installments, including the bank guarantee, legal or other guarantees, which are determined in light of the amount of the installment, the period of installment and the financial solvency of the taxpayer.

C. The installment mentioned in paragraph (a) of this Article shall be exempted from the following:

1. The amounts deducted in accordance with the provisions of Article (12) of the Law.
2. Payments made at the expense of the tax due in paragraph (b) of Article (19) of the Law.
3. The tax and the fine due are due under the provisions of paragraph (a) of Article (30) of the law.

Article (7)

a. The reduced amount will incur an additional 9% per annum.

B. The additional amount for each installment shall be calculated from the end of the fourth month following the expiry of the taxable period according to the following formula:

Monthly balance of the installment amount  $\times$  9%  $\times$  1/12

C. Subject to the provisions of Article (9) of these Instructions, if the taxpayer fails to pay any premium on the due date, a fine shall be

imposed on the balance of the monthly installment of the tax or the amounts payable on account of the tax at the rate of four thousand per week of delay or any part thereof Installment and until its repayment or rescheduling.

**Article (8):** The Director or his authorized person may reschedule the unpaid premiums and their fines and an additional amount shall be paid in accordance with the method prescribed in Article (7) of these Instructions, taking into account the powers stipulated in Article (6) thereof.

**Article (9):** If the taxpayer fails to pay three successive installments or installments, the installment shall be canceled and the tax and the amounts credited with the fines shall be due on the date of default.

**Article (10)**

A. The tax, amounts and fines referred to in Article (3) of these Instructions and payable by any person charged in one of the following ways and means may be paid:

1. Cash.
2. Bank checks.
3. Electronic payment cards.
4. Payment or electronic transfer approved by the Department.
5. Banks approved by the Department.

B. If the bank checks are returned for any reason, the tax, the amounts and the fines are immediately due.

C. The tax or any part thereof shall be collected with the penalties for that tax or part and in no case shall the fine be suspended.

**Article (11):** These instructions shall apply to the year 2015 and the following.

**Executive Instructions No. (4) for the year 2015**  
**Instructions for registering with the Department for income tax**  
**purposes**  
**Issued according to the provisions of Article (22) of the Income Tax Law**  
**No. 34 of 2014**

**Article (1)** These instructions shall be called (Instructions for Registration at the Department for the purposes of income tax for the year 2015) and shall come into force as of the date of their publication in the Official Gazette.

**Article (2)** The following words, wherever stated in these Instructions, shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Department: Income and Sales Tax Department.

Director: Director General of the Department.

Tax: Income tax imposed by law.

Business activity: An activity carried out by a person for the purpose of making a profit or gain, including commercial, industrial, agricultural, professional, service or craft activity.

Person: natural or legal person

**Article (3):** The resident who carries out the business activity must register with the Department and obtain a tax number before starting the activity

**Article (4)** The registration application shall be submitted to the Department according to the approved form for this purpose and enclosed with the following data:

a. If the applicant is a legal person:

1. A personal identification document of the person authorized to sign or appoint him in writing.
2. A certified copy of the certificate of registration of the legal person at the competent authority, indicating the names of the authorized signatories.
3. Copy of the registration certificate of the trade name, if any.
4. A copy of the occupational license in the number of branches of the original activity to be registered, its addresses, the names of warehouses and its warehouses and their addresses.



5. Name of the auditor approved on the date of the application, if any.
6. Bank name and account number.
7. A certified copy of the lease if any.
8. The person's address is detailed, including the activity site, e-mail and his mailbox.

B. If the applicant is a natural person:

1. A personal identification document indicating the national number for the Jordanian person and a copy of the passport for the non-Jordanian or his deputy.
2. A copy of the registration certificate certified by the competent authority.
3. Copy of the registration certificate of the trade name, if any.
4. A copy of the occupational license in the number of branches of the original activity to be registered, its addresses, the names of warehouses and its warehouses and their addresses.
5. Name of the auditor approved on the date of the application, if any.
6. Bank name and account number.
7. A certified copy of the lease if any.
8. The person's address is detailed, including the activity site, e-mail and his mailbox.

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

a. The address specified in the application for registration of the person shall be approved by the Chamber for the purpose of communicating it in accordance with the provisions of the law.

B. The Registrar shall notify the Department in writing on the form approved by the Department of any change in the data contained in the application for registration within thirty days from the date of the change. No change shall be made to the data not reported during this period.

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

The request for registration shall be submitted directly to the Department and the application shall be accompanied by all the data referred to in Article (4) of these Instructions. The application shall be signed by the owner of this activity or the person authorized to sign on his behalf or his representative in writing to the employee or the signature must be authenticated by any authorized party So.

**Article (7)**

The Chamber shall receive the application for registration and verify the accuracy of the data contained therein. In the event of any shortage in the attached documents, the Department may register the person to complete the documents and provide the Department within thirty days from the date of obtaining the document.

**Article (8)**

The Department shall specify a registration number for the person applying for registration affixed to the certificate issued by the Department according to the approved form for this purpose and stamped with the official stamp of the Department.

**Article (9)**

The Director may register any person whose income is taxable in the following cases:

1. At the request of the person in the event of the activity without being able to obtain the data contained in Article (4) of these instructions.
2. In the event that the person does not apply for registration, even though his income is taxed.

**Article (10)**

a. In case of ceasing to exercise taxable activity, the Registrar shall notify the Department in writing within 30 days from the date of suspension.

B. In case of taxable activity, the person must inform the Department in writing within 30 days from the date of practicing the activity.

**Article (11)**

In case the person violates the provisions of these instructions, the provisions of Article (64) of the Law shall apply to him.

**Article (12)**

These instructions apply to the year 2015 and beyond.

**Executive Instructions No. (5) for the year 2015**  
**Interest instructions, Murabaha profits and outstanding commissions**  
**Issued pursuant to the provisions of paragraph (c) of Article (14) of the**  
**Income Tax Law No. (34) for the year 2014**

**Article (1)**

These instructions (interest instructions, Murabaha profits and commissions pending for the year 2015) shall be applied and shall come into force as of the date of their publication in the Official Gazette.

**Article (2)**

The provisions of these instructions shall apply to banks.

**Article (3)**

Interest and Murabaha profits and commissions outstanding, such interest and profit Murabaha and commissions that have been suspended in accordance with instructions issued by the Central Bank in this regard

**Article (4)**

A. Interest and Murabaha and commission profits are considered to be outstanding after a period of at least 90 days from the date of the customer's suspension of payment. The suspension is canceled on the date of the occurrence of either of the following cases:

1. Grant the customer any new facilities.
2. During the year, the customer shall pay any amounts of interest, interest or Murabaha profits or commissions not less than (50%) of the amount of the interest or Murabaha profits or commissions due for that year.

B. The amounts collected and included in the customer's account resulting from the execution of the guarantees shall not be considered as payment in accordance with item (2) of paragraph (a) of this Article.

C. Any amounts of interest, Murabaha profits and commissions that have been suspended and collected in any year shall be taxable

**Article (5)**

The suspension of interest and profit on Murabaha and commission means the transfer of the tax from the principle of accrual to the principle of arrest (monetary basis) so that the tax is collected for those

benefits and profits Murabaha and commissions outstanding in the year of receipt or cancellation of the terms of suspension.

**Article (6)**

For the purpose of applying these instructions, all customer accounts shall be treated with the Bank as a single unit.

**Article (7)**

The banks must attach to the annual tax declaration submitted by them statements authenticated by the legal auditor including the following:

The amount of the debt, the date of the grant of the debt, the debt guarantee, the date of the cessation of payment, the actions taken to collect the debt, the interest balance, the Murabaha profit and the outstanding commissions, the amount of the interest and Murabaha profits and the outstanding commissions for the year, Of interest and interest, murabaha profits or commissions, other client accounts.

**Article (8)**

Certificates issued by banks to their customers shall not include any interest or profit on Murabaha or outstanding commissions for the purpose of submitting them to the Income and Sales Tax Department for the purpose of making the legal waivers and exemptions due to them.

**Article (9)**

These regulations shall apply to the year 2015 and the following.

**Executive Instructions No. (6) for the year 2015**  
**Instructions of sources of information for administrative decision of**  
**income tax**  
**Issued pursuant to the provisions of paragraph (a) of Article (31) of the**  
**Income Tax Law No. 34 of 2014**

**Article (1):** These instructions shall be called (Instructions of the sources of information of the administrative assessment decision for the year 2015) and shall come into force as of the date of their publication in the Official Gazette.

**Article (2)** The following words, wherever stated in these Instructions, shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Tax: Income tax imposed by law.

The taxpayer: Every person is obliged to pay the tax, deduct it or supply it according to the provisions of the law.

Checker: The employee of the department who checks the tax returns and the estimation of the tax and the calculation of any other amounts due to the taxpayer and carry out any other duties and duties assigned to him in accordance with the provisions of the law.

**Article (3):** The auditor may issue an administrative assessment decision to the taxpayer who has not submitted his tax declaration after 30 days from the date of the written notice of the result of the preliminary assessment decision stipulated in paragraph (a) of Article (30) of the law by using the following sources of information:

1. The information contained in the taxpayer's file.
2. The information contained in the sales tax returns of the taxpayer.
3. Information contained in the records and documents of the taxpayer.
4. The information obtained in accordance with the provisions of paragraphs (a), (b) and (c) of Article (61) of the law.
5. Information obtained from other taxpayers who carry out similar activities or activities similar to those of the taxpayer.
6. Any other information that may be adopted to determine the tax payable by the taxpayer.

**Article (4):** The Department shall notify the taxpayer in writing of the outcome of the administrative assessment decision

The decision shall be subject to objection by the objection authority within thirty days from the date of its notification.

**Article (5):** The decision of the preliminary assessment shall be deemed null and void by the issuance of the administrative assessment decision.

**Executive Instructions No. (7) for the year 2015**  
**Financial leasing and leasing instructions**  
**Ownership and application of international accounting standards**  
**Issued pursuant to the provisions of Article (16) of the Income Tax Law**  
**No. 34 of 2014 and paragraph (b) of Article (23) and paragraph (c) of**  
**Article (24) of the Financial Leasing Law No. 45 of 2008**

**Article (1)**

These instructions are called (Leasing and Leasing Leasing Regulations ending with ownership and application of the International Accounting Standards for the year 2015) and are effective as of the date of their publication in the Official Gazette.

**Article (2)**

The following words and phrases wherever stated in these Instructions shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law or the Financial Leasing Law in force and as the case may be.

Department: Income and Sales Tax Department.

Director: Director General of the Department.

Tax: Income tax imposed by law.

Tax Period: The period on which the tax is calculated according to the provisions of the law

Leasing contract: The financial leasing contract which is organized and concluded in accordance with the provisions of the law of financial leasing in force

Hacks: Any movable or immovable property from which the use of it is obtained by repeated use with the same eye, and does not include money, commercial paper or securities.

Lessor: A legal person who is established or registered in accordance with the provisions of the relevant legislation in force, one of whose purposes is the exercise of financial leasing activity.

Tenant: The natural or juridical person who benefits from the rent in accordance with the terms of the lease.

Lease payments: The allowance paid by the lessee to the lessor in installments in accordance with the terms of the lease.

Value of the purchase option: The residual value of the lease agreed upon under the lease contract or those specified by the parties to the contract under a contract that is adjusted in accordance with the international

accounting standards if not previously specified in the event that the parties agree to acquire the lessee for the asset before the end of the contract. The current value of the lease payments: The total amount of each lease payment payment that the lessee commits to pay to the lessor under the lease contract signed between them is discounted at the rate of interest or murabaha prevailing on borrowing.

Fair value of the rent: The amount that the lessor commits to pay for his possession of the rent, including all the expenses that make the lease ready for use, whether it is possession through purchase or construction.

### **Article (3)**

a. The lessor is accounted for for any difference between the present value of the lease payments and the cost of the leased asset as revenue at the time of signing the contract.

B. Subject to the provisions of paragraph (c) of this Article, the present value of the lease payments at the date of the contract shall be deemed to be the cost of the rent for the lessee and shall be depreciated according to the provisions of the law and the applicable depreciation regime.

C. If the lease is the property of the contract, the value of the land is not depreciated and the value of the buildings below the land is depreciated by the prescribed percentages of the buildings in accordance with the provisions of the law and the current consumption regime.

D. The lessor is charged for any increase between the value of the purchase option and the present value of the remaining lease payments as gains realized on the closing date of the contract.

E. In the event that the lessee does not exercise the right to purchase the wage - except for the land - at the end of the contract and the value of the premiums paid exceeds the previously mentioned consumption and financing expenses of the gross income, the difference between them is considered an expense to the lessee in the tax period in which the contract ended.

If the depreciation and financing expenses previously provided for the gross income exceed the paid premiums, the difference between them is considered revenue for the lessee in the tax period in which the contract ended.

F. If the lease is in the hands of the lessee and the lessee does not exercise the option to purchase or the contract does not end with the



ownership, the installments paid minus the financing expenses that were previously deducted from the gross income are considered as maintenance to the lessee. The difference between the installments received by the lessor, Shall be considered as income to the lessor in the tax period in which the lessee delivered the rent to the lessor.

#### **Article (4)**

a. Revenue from the lease is calculated on a accrual basis for the premiums so that the revenue for each year of the contract is recognized

.on the maturity date of the lease, whether or not the premium is paid

B. The Lessor is allowed to deduct the provision for doubtful debts arising from the financial leasing contract from the total taxable income in accordance with the system of expenses applicable to other .companies other than banks and insurance companies

C. In the event of cancellation of the lease, all amounts owed by the lessee and not paid by him shall be deemed to be realized in the tax period in which the contract was canceled if it is already included in the approved expenses.

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

a. The Lessor shall be obliged to show the leasing contracts in his records and documents including the date of payment of the rental allowance and the part of these payments which is considered as payment of the value of the lease and rental income in accordance with the International Accounting Standards.

B. The Tenant is obliged to disclose the rental contracts committed and submit them to the Department in accordance with the disclosure prepared by the Department for this purpose.

C. The lessor and lessee are required to disclose additional disclosures in accordance with International Accounting Standards.

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

The additional amounts that the lessor undertakes to pay under the lease contract or the modified contract for the improvement of the asset - other than the maintenance costs - are added to the fair value of the lease on the date of improvement and the lease installments are rescheduled for the remaining period of the contract based on the new value.

#### **Article (7)**

Subject to the provisions of paragraphs (c), (e) and (f) of this regulation, the lessee shall be entitled to the value of the improvements made on the lease with the consent of the lessor or in accordance with the provisions of Article 6 of these Instructions for the purpose of developing or increasing the useful life of the asset or improving The product produced by the asset - excluding maintenance costs - in accordance with the prescribed rates of consumption of the assets in accordance with the provisions of the law and the system of consumption in force.

**Article (8)**

The Lessee shall not enjoy any benefits or exemptions granted to the .Lessee under the applicable legislation relating to income tax

**Article (9)**

.These regulations shall apply to the year 2015 and the following

**Executive Instructions No. (8) for the year 2015**  
**Instructions for calculating expenses related to income**  
**Exempt from tax or income subject to deductible tax**  
**Issued pursuant to the provisions of paragraph (d) of Article (7) of the**  
**Income Tax Law No. (34) for the year 2014**

**Article (1):** These instructions (Instructions for the calculation of expenses related to income exempted from tax or income subject to taxable tax for the year 2015) shall be applied as of the date of their publication in the Official Newspaper.

**Article (2)**

The following words and phrases wherever stated in these Instructions shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Tax: Income tax imposed by law.

Tax Period: The period on which the tax is calculated according to the provisions of the law

Charge: Each person is obliged to pay the tax.

Person: natural or legal person.

Gross Income: The taxpayer's income from all taxable sources of income

Exempt income: Income that does not fall within the total income of the taxpayer under the provisions of the law during the tax period.

Sales or Total Revenues: Total sales and / or revenues of the taxpayer subject to and exempted during the tax period.

Total expenses: Total expenses of the taxpayer claimed during the tax period

Total income: Gross income plus exempted income during the tax period.

Expenses, commissions, murabaha profits, depreciation, and any expenses not included in the direct cost of the activity and claimed during the tax period less expenses not acceptable under the law.

Joint expenses: Expenses relating to restricted income and income are not included in the direct cost of the activity.

**Article (3)**

- a. The dividends and dividend profits distributed by the resident person shall be exempted from the tax, except for the distribution of the profits of mutual funds to banks, basic telecommunication companies, basic material mining companies, insurance companies, reinsurance companies, brokerage companies, financial companies and legal persons engaged in financial leasing activities.
- b. The exempted income mentioned in paragraph (a) of this Article shall be liable to 25% of it for its share of the expenses, provided that this amount does not exceed the total expenses accepted during the tax period.
- c. For the purposes of this Article, dividends and dividend profits (dividends and dividends distributed by a resident in cash or in kind including amounts withdrawn by any partner, shareholder or member in the amount of its share of profits without interest or at an interest rate below the rate of the borrowing interest rate) ).

**Article (4)**

- a. The income derived from the Kingdom is exempt from trading in shares, shares, bonds, bonds, muqarada bonds, Islamic finance instruments, treasury bonds, mutual funds, futures contracts and options contracts related to any of them, except for any of them to banks, basic telecommunication companies, mining companies, Insurance, brokerage firms, financial companies and legal persons engaged in financial leasing activities.
- B. The exempted travel expenses referred to in paragraph (a) of this Article shall be determined on the basis of the following equation:

$$\frac{\text{Exempt income}}{\text{Total entry}} \times \text{Expenses are tax deductible}$$

**Article (5)**

The share of investment in interest and Murabaha receivables receivable is taxable in addition to the direct costs and costs of investments with exempted or unused income in the production of gross income not covered by Article 4 of these instructions including capital assets not subject to depreciation on the basis of the following equation:

$$\frac{\text{The average monthly volume of these investments} \times \text{Interest and profits of Murabaha City}}{\text{Monthly average of taxable assets}}$$

**Article (6)**

Income charges subject to tax shall be determined on the basis of the following equation:

$$\frac{\text{Taxable income}}{\text{Total entry}} \times \text{Taxable Expenses}$$

**Article (7)**

Notwithstanding the provisions of Article 4 of this Regulation, the expenses of tax-exempt investments shall be determined by the taxpayers of natural persons on the basis of the interest rate that the taxpayer borrowed, multiplied by the monthly rate of the volume of the tax-free investments, provided that such expenses do not exceed interest paid or dividends Paid Murabaha or (50%) of the exempted income whichever is less and not less than (10%) of the exempted income in any way.

**Article (8)**

Any person engaged in business activity exempt from tax under the law or any other law or decision shall organize records and independent documents for such activity throughout the period of exemption.

**Article (9)**

If the taxpayer organizes separate records and documents for his taxable and exempted activities, and there are some common expenses that cannot be separated, the share of activities exempted from expenses shall be determined according to the following equation:

$$\text{Joint expenses} + \frac{\text{Percentage of sales or revenues of exempted activity to sales or total revenues} \times \text{Percentage of activity expenses exempted from total expenses}}{2}$$

**Article (10)**

Notwithstanding the provisions of these Instructions, reimbursable expenses shall not exceed taxable expenses.

**Article (11)**

Exempt and exempt income shall be excluded from the income of the beneficiary if it falls within the total income of that person during the tax period.

**Article (12)**

These instructions apply to tax periods 2015 and the following.

**Executive Instructions No. (9) for the year 2015**  
**Instructions for calculating income and deductible expenses**  
**For long-term contracts**  
**Issued pursuant to the provisions of paragraph (a) of Article (15) of the**  
**Income Tax Law No. (34) for the year 2014**

**Article (1):** These instructions (Instructions for the calculation of income and deductible expenses in respect of long-term contracts for the year 2015) shall be applied as of the date of their publication in the Official Newspaper.

**Article (2):** The following words and phrases wherever stated in these Instructions shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Charge: Each person is obliged to pay the tax.

Tax Period: The period on which the tax is calculated according to the provisions of the law

Contract: Long-term contract.

Actual costs of contract: Actual costs directly related to the contract, or related to the nature of the activity and which can be allocated to the contract and any costs to be loaded on the contract in accordance with the conditions contained therein.

Estimated total costs of contract: Total estimated costs for contract completion.

Total revenue of the contract: the amount of revenue agreed upon in the contract, plus the value of the change orders and any other claims or income related to the contract.

Change orders: Any amendments to the contract that result in a change in the revenues or costs of that contract.

Joint costs: Expenses that are tax-deductible and related to the nature of the activity and which can not be allocated to a particular contract

**Article (3)**

a. Income and downloadable costs are recognized for taxpayers who use the accrual method of accounting for long-term contracts using the actual completion rate of the contract during the tax period.

B. For the purposes of these instructions, long-term contracts shall mean contracts of manufacture, installation, construction or provision of services related to them that are not completed during the single tax period. The contract is to be executed during the period, not including contracts concluded within six months of the commencement of the contract.

**Article (4)**

- a. Revenue from long-term contracts is calculated during the tax periods for the years of the contract except for the last year of the contract, as follows:

$$\frac{\text{Actual costs of the contract during the tax period} \times \text{Total revenue of the contract}}{\text{Estimated total costs of the contract}}$$

- b. The taxpayer shall be held accountable for the actual revenue realized from the long-term contracts during the tax period, not less than the output of the equation referred to in paragraph (a) of this Article.
- c. Revenue from long-term contracts for the last year of the contract is calculated as follows:
- The total revenue of the contract less income that has been taxed for the years of the contract except for the last year
- d. The taxpayer is required to provide a statement of the estimated total costs of the contract.

**Article (5):** In the event that the taxpayer does not regulate records or documents according to the provisions of the law or not to make a statement of the estimated total costs of the contract, the income derived from the contract shall be calculated according to the following equation:

The total revenue of the contract × the percentage of profit specified in the system and the instructions issued for this purpose.

**Article (6):** If there are some common costs related to more than one contract and related to the nature of the activity of these contracts, the share of each of these costs shall be determined according to the following equation:

$$\frac{\text{The actual cost of the contract during the tax period}}{\text{The total actual cost of contracts during the tax period}} \times \text{Common costs are tax-deductible}$$

**Article (7):** For the purposes of applying these instructions, the following shall be observed:

a. When a conversion is made in any of the cost elements from one contract to another it must be done at cost.

B. Actual maintenance costs shall be deducted from the tax-deductible contract after its completion in the tax period in which it was spent or accrued if it is the responsibility of the taxpayer under the terms of the contract.

C. 1) Contract costs are reduced by any accidental income.

2) For the purposes of this paragraph, incidental income means any income not included in the terms of the contract, including income from the sale of excess materials and income from the sale of equipment and assets that have been charged to the cost of the contract.

D. In the event of any revenue that is not accounted for by the taxpayer, it shall be accounted for in the tax period in which it was realized.

**Article (8):** Taxable expenses (excluding expenses related to the contract and joint expenses of contracts) are deductible in the tax period in which they are expended or accrued.

**Article (9):** The taxpayer is required to disclose the revenues and costs of each contract separately.

**Article (10):** These instructions shall apply to the year 2015 and the following.



**\* Executive Instructions No. (10) for the year 2015**

**Acting instructions, representation and delegation at the Tax Department  
Income, sales and any amendments made in accordance with the provisions  
of item (2) of**

**Paragraph (c) of Article (70) of the Income Tax Law No. 34 of 2014**

**Article (1):** These Instructions (Instructions for Representation, Representation and Authorization of the Income and Sales Tax Department and the related terms and conditions) shall be called and shall be effective from 1/1/2016.

**Article (2):** The following words and phrases wherever stated in these Instructions shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Department: Income and Sales Tax Department.

Director: Director General of the Department.

Al-Munib: The taxpayer / person who assigns another person in writing to represent him before the Chamber in accordance with the provisions of these instructions.

Manaab: The natural person whom the appointee has appointed in writing to represent him in front of the Chamber in accordance with the provisions of these instructions.

Acting: A written bond under which the assignment shall be delegated by the appointee according to the form approved by the Department.

Competent Officer: The employee of the department entrusted with the duties of receiving, registering and approving the deeds of proxy, representation and delegation.

**Article (3)**

a. The taxpayer or the person may appear before the Chamber and may delegate him to another person to represent him in the Chamber in any of the tax audit procedures on his income, assessment and collection, including the submission of the tax return and the reporting and reporting procedures.

B. Notwithstanding the provisions of Article 4 of these Instructions, the taxpayer or the assignee may, if authorized in the proxy, delegate any other person to perform any procedures other than giving information, discussion and signing the minutes and decisions before the auditor, the objection authority or the authorized officer and signing the tax returns Amended tax returns, and signature and submission of objection regulations.

**Article (4)**The following conditions must be met in Manab:

a. Must be a Jordanian national and possess a national number.

B. Has a minimum undergraduate degree.

C. Is not sentenced to a felony or misdemeanor.

D. That he has not been issued a valid decision to prevent him from reviewing the department or not accepting his accounts in accordance with the provisions of the law.

E. Be one of the following categories:

1. A lawyer practicing in accordance with the provisions of the Jordanian Bar Association Law.

2. A certified legal accountant who performs auditing work in accordance with the provisions of the trading system issued under the law regulating the profession of legal accounting or any legislation replacing it.

3. Any staff member of the Department has been authorized to perform an assessment, audit or advocacy in the Chamber for at least seven years prior to or after the issuance of these instructions.

4. A member of any association or body concerned with tax laws or regulations or accounting provided that the signing of a memorandum of understanding with the Department includes the terms and conditions of the assignment, representation and delegation.

**Article (5):** The assignment shall be written in accordance with the form adopted by the Department, including the following:

- a. The name of the quorum or the name of the juridical person and its representative and the national and tax number of the deceased if any.
- B. The name of al-Manab is a quartet and its national number and its tax number.
- C. Period or periods of tax not to exceed five years from the date of the execution of the assignment.

**Article (6)(**

The provisions of Article (4) of these Instructions shall exclude the following:

- a. The legal representative of the heir, guardian, guardian, trustee, liquidator or bankruptcy agent.
- B. The representative of the legal person according to the registration certificate issued by the official authority concerned.

Article (7) A.a. A record shall be organized in the Department to record the names of the dispatchers and attach the data confirming the completion of the conditions in accordance with the provisions of Article (4) of these instructions.

B. An annual registration certificate is issued for the conduct of acting, representation and delegation before the Department by the Directorate of Internal Control and quality assurance against a fee of JD (20) revenues for the General Treasury.

C. The certificate referred to in paragraph (b) of this Article shall be attached to each written assignment in the course of reviewing the appointment of the Department.

**Article (8)**

a. Al Manaab shall provide a position document from the appointee to the concerned employee to verify the identity of the persons and the correctness of the information contained in the deed of assignment and the confirmation of the oaths on the validity of the signature of the appointee under the responsibility of legal accountability.

B. Subject to paragraph (a) of this Article, the approval of the Bank upon the signature of the appointee may be accepted.

C. The competent employee shall certify the deed of assignment and the original shall be kept in a special file. It shall be archived electronically and a duplicate copy shall be kept in the tax file of the monyep and another copy shall be given to the appointee and a fee of two dinars shall be paid for each charge in accordance with the applicable import stamp duty law.

**Article (9):** Any of the persons mentioned in paragraph (e) of Article (4) of these instructions who worked in the Department and whose service has completed his service shall refrain from reviewing the Department and expressing an opinion or advice in any case that has been audited or .evaluated

**Article (10):** The assignment may not be terminated except in the presence of the appointed person in front of the concerned employee. In accordance with a written request submitted by him, the file shall be kept in the special file of the concerned employee and shall be archived electronically and a duplicate copy shall be kept in the tax file.

**Article (11):** In case of appearing before the auditor, the objection board or the authorized officer

Or any other entity in the Department shall:

a. To certify the performance of the act of acting, representation and delegation before the Department in force and in charge given by the appointees who meet the conditions specified in Article (5) of these Instructions.

B. Submission of any papers, documents or information required by him for the purposes of completing and facilitating the work of the Department and cooperating with it in all the procedures required by the work and not to procrastinate or cause prolongation of the work of the assignment.

**Article (12):** The Minister may, on the recommendation of the Director, on the recommendation of a committee formed for this purpose, prevent the Chamber or the Commissioner from reviewing the Department in any case or work other than his personal case if it is proved that during his review and dealing with the Chamber, May act in

accordance with the law or circumvent this law and may decide not to accept the Department for the accounts prepared or audited by that person if he is an accountant or legal accountant for a period not exceeding three years.

**Executive Instructions No. (11) for the year 2015**  
**Instructions for the calculation and verification of tax on the taxpayer**  
**at the time of death or liquidation**  
**Or annulment, dismissal or termination of employment or was about**  
**to leave the Kingdom permanently**  
**Issued pursuant to the provisions of paragraph (d) of Article (13) of the**  
**Income Tax Law No. (34) for the year 2014**

**Article (1):** These instructions shall be called (Instructions for the calculation and verification of tax on the taxpayer upon his death, liquidation, dissolution, cancellation or termination of his work or if he is about to leave the Kingdom permanently) and shall come into effect as of the date of publication in the Official Newspaper.

**Article (2):** The following words or phrases shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Department: Income and Sales Tax Department.

Director: Director General of the Department.

The taxpayer: Every person is obliged to pay the tax, deduct it or supply it according to the provisions of the law.

Checker: The employee of the department who checks the tax returns and the estimation of the tax and the calculation of any other amounts due to the taxpayer and carry out any other duties and duties assigned to him in accordance with the provisions of the law.

New Year: The period beginning on the first day of January and ending on the 31st day of December of the same year.

Tax Period: The period on which the tax is calculated according to the provisions of the law

**Article (3)**

A) The tax payable by the taxpayer shall be calculated on the basis of the calendar year.

B) Subject to the provisions of paragraph (a) of this Article, a taxpayer who closes his accounts at a different date from the end of the calendar year may calculate the tax on the basis of his financial year,

**Article (4)**A) The taxpayer who commenced his activity during the first half of the calendar year shall be charged the tax for the period between the beginning of the activity and the end of the calendar year.

B. Subject to the provisions of paragraph (a) of this Article, a taxpayer who commenced his activity during the second half of the calendar year may tax the period between the beginning of the activity and the end of the following calendar year.

**Article (5)**

A) The heirs or their representatives shall submit a tax declaration on the deceased within ninety days from the date of death.

B) The guardian, trustee, trustee, liquidator and bankruptcy agent shall submit the tax return to the person representing him on the legal date.

**Article (6):** The auditor may, on his own initiative or at the request of the taxpayer or his representative, calculate the tax on any taxpayer at the time of his death, liquidation, dissolution, cancellation or termination of his work or is about to leave the Kingdom definitively before the end of the tax period Ten days from the date of the notification of the taxpayer or his representative in writing.

**Article (7)**

A) Any liquidator of any company, estate or bankruptcy agent or any person responsible for any similar liquidation or settlement of any kind shall notify the Director in writing of the commencement of the liquidation proceedings or the bankruptcy month or any other procedures as may be necessary to indicate the amounts due to the .Department and its installation

B) In the case of default under the provisions of paragraph (a) of this article, each of these persons shall be held directly and personally liable for the payment of such amounts in accordance with the provisions of the law provided that this provision does not exempt the heirs from payment of such amounts from any movable or immovable property I brought them from the estate.

**Article (8)**

A- Every legal person shall obtain a patent from the Department before selling or assigning his shares or shares or any part thereof within the Kingdom, except for shares traded on the Amman Stock Exchange.

The provisions of paragraph (a) of this Article shall apply to a non-Jordanian person.

**Article (9):** The Department shall notify the taxpayer or his representative in writing of the tax due in accordance with the provisions of the law and these instructions.

**Article (10):** The taxpayer or his representative shall pay the tax due in accordance with the dates specified in the law. In case of default, the Chamber shall be liable to a penalty of delay of four thousand times the value of the due tax balance or any amounts to be deducted or supplied for each week of delay or any part thereof .

**Article (11):** The notification of the taxpayer or his representative to pay the tax and the amounts owed by him shall be sufficient for the purpose of directing the director or the person authorized by the procedures of seizure and execution in accordance with the provisions of the Amiri Funds Collection Law, without the need to take any of the notification or publication procedures provided for in the law.



**Instructions issued by the General Director  
under the Income Tax Law No. 34 of the year  
2014**

**Executive Instructions No. (1) for the year 2015**  
**Instructions of sources of information for administrative**  
**decision of income tax**  
**Issued pursuant to the provisions of paragraph (a) of Article**  
**(31) of the Income Tax Law No. 34 of 2014**

**Article (1):** These instructions shall be called (Instructions of the sources of information of the administrative assessment decision for the year 2015) and shall come into force as of the date of their publication in the Official Gazette.

**Article (2)**The following words, wherever stated in these Instructions, shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Tax: Income tax imposed by law.

The taxpayer: Every person is obliged to pay the tax, deduct it or supply it according to the provisions of the law.

Checker: The employee of the department who checks the tax returns and the estimation of the tax and the calculation of any other amounts due to the taxpayer and carry out any other duties and duties assigned to him in accordance with the provisions of the law.

**Article (3):** The auditor may issue an administrative assessment decision to the taxpayer who has not submitted his tax declaration within 30 days from the date of the written notice of the result of the preliminary assessment decision stipulated in paragraph (a) of Article 30 of the law by using the following sources of information:

1. The information contained in the taxpayer's file.
2. The information contained in the sales tax returns of the taxpayer.
3. Information contained in the records and documents of the taxpayer.

4. The information obtained in accordance with the provisions of paragraphs (a), (b) and (c) of Article (61) of the law.
5. Information obtained from other taxpayers who carry out similar activities or activities similar to those of the taxpayer.
6. Any other information that may be adopted to determine the tax payable by the taxpayer.

**Article (4):** The Department shall notify the taxpayer in writing of the outcome of the administrative assessment decision  
The decision shall be subject to objection by the objection authority within thirty days from the date of its notification.

**Article (5):** The decision of the preliminary assessment shall be deemed null and void by the issuance of the administrative assessment decision.

**Instructions The rules and conditions of delegation for the  
purposes of auditing and assessment  
No. (2) for the year 2015  
Issued under the provisions of paragraph (1) of paragraph (a)  
(of Article (21  
Of the Income Tax Law No. 34 of 2014**

**Article (1)** These instructions shall be called (the provisions of the terms and conditions of the delegation for the year 2015) and shall come into force as of the date of their signing.

**Article (2)** The following words, wherever stated in these Instructions, shall have the meanings assigned to them below unless the context indicates otherwise:

Law: The Income Tax Law in force.

Department: Income and Sales Tax Department.

Director: Director General of the Department.

Tax: Income tax imposed by law.

Checker: The employee of the department who checks the tax returns and the estimation of the tax and the calculation of any other amounts due to the taxpayer and carry out any other duties and duties assigned to him in accordance with the provisions of the law.

**Article (3)**

The department shall be formed by a decision of the Director, a central committee to delegate the audit and evaluation powers to the employees of the Department under the chairmanship of the Assistant Director for Executive Affairs and Operations, and the membership of:

1. The Attorney General of Taxation.
2. Director of the Directorate of Human Resources Development and Training
3. Director of the Directorate of Internal Control and Quality Assurance.

4. Director of the Directorate of Senior Taxpayers.

B. The Committee shall have the following functions and responsibilities:

1. Supervising the examinations of the training program in law and accounting prepared in the department for the purpose of delegating the auditors.
2. Supervising the field training program for the purpose of delegating auditors.
3. Evaluation of reports organized by different field directorates regarding staff under training.
4. Recommend to the Director regarding the delegation of the completed terms of delegation in accordance with Article (4) of these instructions.
5. Recommend to the Director such modifications as may be necessary to these instructions.

C. The Committee shall elect a Rapporteur.

**Article (4):** Any employee shall be delegated by a decision of the Director on the recommendation of the Central Committee formed in accordance with Article (3) of these Instructions after completing all the following conditions:

a. Must have a minimum undergraduate degree in the disciplines of accounting, law, economics, financial and banking sciences or any of the necessary specialties required by the department for the purpose of auditing and evaluation of some specialized activities.

B. The employee successfully passes the examinations of the training program prepared by the department in accounting and law.

C. The employee successfully passes the computer skills program prepared by the department.

D. Termination of the employee for a minimum period of 6 months

## **Article (5)**

A. A training supervisor shall be appointed in each directorate by its director for the purpose of supervising the trainee employee in accordance with the provisions of these instructions:

1. Determine the auditor who will train the employee.
2. Follow-up of the reports on training in the Directorate.
3. Present the reports on training on the committee within the Directorate for the purposes of evaluating the trainees headed by the director of the Directorate and the membership of the head of the audit and training supervisor in the Directorate concerned.

B. The employee who successfully passed the training program exams in accounting, law and computer skills program in one of the directorates of the audit shall be apprenticed for a minimum period of 6 months as follows:

1. Training the employee on the various administrative work such as collection, follow-up and the services of taxpayers for two months.
2. Training the employee in the audit and assessment work for 4 months.

C. The supervisor auditor will train the employee to report on the performance of the trainee during the training period to the training supervisor.

D. The training supervisor shall follow up the training reports and submit them to the committee formed by the directorate for the purpose of evaluating the trainees. In addition, the appropriate recommendation shall be submitted by the employee's mandate or by postponement of his mandate with a statement of the reasons for postponement and its duration to the Central Committee formed in accordance with Article (3) of these instructions.

E. The Central Committee shall submit its recommendations to the Director to take the appropriate decision.

**Article (6)** every employee in the Department shall be deemed to have obtained the authorization of the Director in accordance with the Interim Income Tax Law No. (28) For the year 2009 or the Income Tax Law No. (57) For the year 1985 and its amendments. This authorization is still valid for the date of issuing these instructions. According to the law and these instructions

**Article (7):** The authorization issued under these instructions shall not be specified in terms of duration and subject matter, including tax periods preceding the date of issuance of the law.

**Instructions No. (3) for the year 2015**  
**Instructions for determining the bases and procedures for the**  
**initial estimation of income tax**  
**Issued pursuant to the provisions of paragraph (d) of Article**  
**((30**  
**Of the Income Tax Law No. 34 of 2014**

**Article (1)** These Instructions shall be called (Instructions for determining the basis and procedures of the initial estimate for the year 2015) and shall be effective as of the date of the signature of the Director

**Article (2)** - The following words and phrases wherever stated in these instructions shall have the meanings assigned to them below unless the context indicates otherwise:

Law: Income Tax Law in force.

Department: Income and Sales Tax Department.

Director: Director General of the Department

Tax: Income tax imposed under the provisions of the law.

The taxpayer: Every person is obliged to pay the tax or deduct it or supply it in accordance with the provisions of the law.

Year: The tax period on which the tax is calculated according to the provisions of the law.

Tax declaration: A tax declaration submitted to the taxpayer according to the form approved by the department

**Article (3)**

If the taxpayer fails to submit the tax return within the period specified in the law, the Department shall issue a preliminary assessment decision for the taxpayer specifying the value of the tax estimated / audited by the taxpayer for the period or tax periods concerned and any fines and amounts realized.



#### **Article (4)**

For the purposes of these instructions, the tax of the base year of the taxpayer shall be determined as follows:

- a. Average tax value for the last three years estimated / audited prior to the tax period. In the absence of an estimated / audited tax for the last three years, the average tax estimated / audited for the last two years, otherwise, another tax year estimated / audited.
- b. In the absence of estimated / audited years of the taxpayer in accordance with paragraph (a) of this Article, the tax value of the declared year shall be approved by the taxpayer's declaration as a base year tax and as stated in paragraph (a)
- c. Subject to paragraphs (a) and (b) of this Article, in the absence of an estimated / audited tax, the base year tax for the company and the simple recommendation company for the first year shall be determined on the basis of the tax rate legally prescribed for the company's activity multiplied by any of the following cases As appropriate:
  1. Average estimated net income for the last three estimated years
  2. Average estimated net income for the last two years in the absence of three estimated years
  3. Estimated net income for the last estimated year In the absence of any of the cases mentioned in items (1) and (2) of this paragraph
  4. Such as the amount of the net income declared by the company's declarations in the absence of any estimated year on the company as described in items (1.3.2) of this paragraph

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

The amount of tax estimated / audited by the taxpayer shall be determined by virtue of the initial assessment decision

referred to in Article (3) of these instructions for the relevant tax period or periods and any fines and other amounts realized as follows:

A. The estimated tax shall be equal to the tax of the base year specified in Article (4) of these instructions provided that it shall not be less than (500) JD in all cases, including the occurrence of the taxpayer's loss or tax of "nothing"

B. With regard to legal person:

1. The estimated tax shall be the amount of the base year tax as specified in Article (4) of these instructions, provided that in no case shall it be less than (4000) JD in the case of the taxpayer's loss or tax of "nothing"

2. In the absence of a base year for the taxpayer who fails to submit the tax return, the following amounts shall be recognized as an estimated tax for each tax period:

a. 5000 dinars for legal person whose capital does not exceed 10,000 dinars

B. 100000 dinars for basic telecommunications companies, electricity distribution and power generation companies, basic material mining companies, brokerage firms and legal entities that practice financial leasing activities

C. 500 thousand dinars for banks

D. 15000 dinars for all legal persons other than those mentioned in paragraphs (a), (b) and (c) of this item

**Article (6):**A. The amounts claimed under the notice referred to in Article (3) of these instructions shall be collected after thirty days from the date of notification by the taxpayer of the written notice of the result of that decision.

B. The tax collected from the taxpayer by virtue of the preliminary assessment shall be considered a payment at the expense of the final tax due thereon.

C. The preliminary decision shall not be considered final for the purpose of administrative objection or appeal to the competent court in accordance with the provisions of the law

**Article (7):** The decision of the preliminary assessment shall be deemed null and void in either of the following cases:

1. The taxpayer shall submit to the taxpayer for the period or periods concerned under the Preliminary Appraisal Decision and the payment of the tax and any fines or amounts due thereunder
2. Issuing the administrative assessment decision in accordance with the provisions of Article (31) of the law

**Article (8)** These Regulations shall apply to the year 2015 and the following