

SUBSIDIES

Requests Pursuant to Article 27.4 of the Agreement
on Subsidies and Countervailing Measures

Reply to Follow-Up Question Posed by the UNITED STATES¹
Regarding the Notification of JORDAN²

The following communication, dated 13 June 2002, has been received from the Permanent Mission of the Hashemite Kingdom of Jordan.

Income Tax Law No. 57 B Exemption from Income Tax

Q. Could Jordan please provide the implementing legislation, and any relevant amendments, for this programme?

Reply

The implementing legislation that covers the programme for which Jordan is seeking an extension is "Income Tax Law No. 25 for the year 2001 amending Income Tax Law No. 57 for the Year 1985".

This law is only available in the Arabic language and due to the limited time, it was not possible to have it translated into English.

The only related provision in the law mentioned above in connection with the Exemption from Income Tax is Article (3) C, and its full translation is as follows:

Article (3):

"C. Income earned from exports or re-exports shall be deemed to have been generated in the Kingdom, and the Council of Ministers, may upon the recommendation of the Minister, exempt from the tax wholly or partially the net income earned from certain types of local production for exportation."

The other matter related to the subject is the decision of the Council of Ministers No. 3394 for the year 1994, which excludes some exports from benefiting from this law. The translation of the Decision is as follows:

¹ G/SCM/Q3/JOR/6

² G/SCM/N/74/JOR, G/SCM/N/71/JOR.

"Based on Article (3) C of the Income Tax Law No. 57 the following exports are not entitled to the exemption mentioned therein,

- Potash Exports,
 - Phosphate exports and,
 - Exports subject to Protocol Trade."
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