

جائزة الملك عبد الله الثاني
لتميز الأداء الحكومي والشفافية
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المركز الثاني



الجمهورية الأردنية

Jordan Customs

Annual Report *2011*

"E-Services...our Pathway to Excellence"



His Majesty King Abdullah II Bin Al-Hussein



His Royal Highness Crown Prince Hussein Bin Abdullah II



الجمهورية العربية السورية

Annual Report 2011

***Prepared By: Strategies & Institutional
Development Directorate***

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Vision

To be the pioneers of distinguished customs services, in accordance with the best international practices, exceeding the requirements and expectations of our customers.

Mission

Provide our customers and stakeholders with distinguished customs services that keep up with rapid global developments, meet all the requirements of comprehensive and sustainable development by striking a balance between customs control, compliance and trade facilitation, and to continue with customs institutional capacity building.

Our Values

The Customs service in Jordan is based upon deep-rootedness and excellence. Here are some values for reflecting the staff loyalty and patriotism:

<i>Integrity and Transparency</i>	Rise above any personal interest other than the public interest and deal with partners of the customs department with great clarity.
<i>Justice</i>	Treat people equally and take balanced, logical and unbiased decisions.
<i>Discipline and Responsibility</i>	Adhere strictly to achievement of work results regardless of what is required of efforts or time.
<i>Professionalism and Proficiency</i>	Have the skills and knowledge needed to enable the customs employees to do the tasks entrusted to them with the highest degree of efficiency, proficiency, creativity and excellence.
<i>Pride and Honor</i>	Have faith in the mission of the department and be proud of its deep-rooted aspect, and be willing to make efforts to maintain the reputation and image of the department.
<i>Teamwork</i>	Enhance communications and sharing of ideas and to strive for achieving desired goals through coordination, interaction, cooperation and integration among all the relevant parties.
<i>Educated Department</i>	Jordan Customs is constantly striving to be a permanent learning department applying successful strategies.

Our Strategic Objectives

- ◆ Contribute towards motivating business investment environment.
- ◆ Combat smuggling and curtail illegal trade activities
- ◆ Improve performance and institutional capabilities
- ◆ Supply and reinforce the treasury with financial resources

A Speech of His Excellency the Director General

The Jordan Customs department has been constantly striving all through (91) years of a unique continuous mission, to protect Jordan economy and encourage investment by providing high-quality customs services and implementing distinguished projects. The Customs department is keeping up with global recent developments by facilitating and monitoring the trade movement, combating illegal trade activities and thereby playing a unique role in this regard. The JC becomes a very good example to other countries in the region due to the support of His Majesty King Abdullah II bin Al-Hussein.



Within the framework of the (2011-2013) ambitious strategic plan, the Customs department launched a 2011 theme **"E-Services ... our Pathway to Excellence"** as a continuation of development and improvement of human, technical and logistics capabilities.

The JC department accomplished its goals through its participation in "King Abdullah II Award for Excellence in Government Performance and Transparency" Fifth Cycle (2010/2011). The JC department reached the Second Rank /Bronze Stage out of (45) public institutions which were competing for getting this award, within the category of Public Institutions Participating more than Once. Also, a member of staff won the prize of the best supporting employee.

The annual report includes all important achievements of the department in 2011. Within the framework of continuous communications with our customers and adoption of transparency approach to disclose that kind of information to all the relevant parties and the public, this report also shows aspirations that the department is seeking to achieve in the future.

Finally, I cordially would like to express my deep appreciation and thanks for all Jordan Customs staff in each place for their dedication and continuous support in serving the country by following determination and motivation of our beloved king Abdullah II bin Al-Hussein.

**Customs Major General
Ghaleb Qassem Al-Saraira
Director General**

Chapter 1

Administrative System of Jordan Customs

Establishment and Development of Jordan Customs

The early twenties of the last century witnessed the establishment of Trans-Jordan Emirate. Due to the location of the Emirate at the heart of the Arab World as well as its strategic importance at both the regional and international levels, there was a necessity to establish a government agency to control the movement of goods and commodities when they imported into the Emirate and in transit through its territories. Therefore, the first Customs Administration was officially inaugurated in 1921 and was known as Directorate of General Excise and Statistics. This Directorate was administratively related to the Council of Advisors, (currently the Prime Ministry). It took up the task of statistics and inspection as well as collecting revenues on imported goods.

Jordan Customs is now headed by a Director General related directly to the Finance Minister. Nineteen Director Generals have alternated the post since the establishment of the Department. Several customs houses have been in operation since the establishment of the Customs department. This number has increased as a result of the significant increase of trade activities. The number of major and minor customs houses amounting to (35). These customs houses can be classified into the following categories; clearance centers, border centers, post office centers and customs houses located within QIZ; in addition to two customs laboratories in Amman and Aqaba.

As for legislations, the first law regulated customs work was issued in 1926 and it was known as the Customs and Excise Law, until the issuance of the Customs Law No (20) for 1998 in line with ongoing developments at both the local and global levels.

The Customs Department's official duties have expanded to effectively support the national economy, promote investments, facilitate the trade movement, combat smuggling, protect the local community and the environment from hazardous materials and to control the movement of passengers, goods and means of transport passing through the kingdom. The JC department has adopted the best advanced technology for the benefit of the work and employment of the E-government concept. As a result of that approach, Jordan Customs is now considered among the most developed customs administrations worldwide in providing high-quality services for all customers and other stakeholders.

The Names of the Successive Director Generals of Customs Department since its establishment:

N	Name	Job Title	Period of Time
1.	Abdussalam Kamal.	Director of Excise, Production and General Statistics.	1/10/1922 until 6/1/1926
2.	H.A. Turner.	Director of Customs and Excise.	
3.	B.Livingstone.	Director of Customs, Industry and Commerce.	
4.	Fawaz Al-Rossan.	Director of Customs, Industry and Commerce.	13/9/1948 until 1/3/1951
5.	Zahaa Al-Deen Al-Hmood.	Under-Secretary of State for Commerce.	1/3/1951 until 11/7/1951
6.	Mohammad Odeh Al-Quraan.	Under-Secretary of State for Finance/Customs.	11/7/1951 until 1/6/1962
7.	Saed Al-Dorra.	Under-Secretary of State for Finance/Customs.	1/7/1962 until 6/6/1965
8.	Ali Al-Hassan.	Under-Secretary of State for Finance/Customs.	6/6/1965 until 1/2/1971
9.	Mamdouh Al-Saraira.	Under-Secretary of State for Finance/Customs.	1/2/1971 until 1/2/1975
10.	Yassin Al-kayed.	Under-Secretary of State for Finance/Customs.	1/2/1975 until 9/5/1982
11.	Adel Al-Qoda.	Customs Director General.	9/5/1982 until 9/6/1990
12.	Dr. Mahdi Al-Farhan.	Customs Director General.	9/6/1990 until 1/11/1991
13.	Mohammad Ahmad Al-Jamal.	Customs Director General.	1/11/1991 until 16/5/1994
14.	Nazmi Al-Abdullah.	Customs Director General.	16/5/1994 until 7/11/1999
15.	Dr. Khalid Al-Wazani.	Customs Director General.	7/11/1999 until 19/6/2001
16.	Mahmoud Qutieshat.	Customs Director General.	19/6/2001 until 1/6/2005
17.	Alaa.Al Batayneh	Customs Director General.	1/6/2005 until 10/5/2007
18.	Mut'eb Wsaiwes Al-Zaben	Customs Director General.	11/5/2007 until 21/10/2008
19.	Ghaleb Qassem Al-Saraira	Customs Director General.	22/10/2008- until date

Administrative System and Organizational Structure

The customs department put a lot of efforts into developing the customs work and streamlining procedures. It constantly reviews its regulations and instructions to keep up with recent developments in customs work with regard to the government's political orientation towards restructuring of government departments that would serve the work interests, a Royal Decree was therefore issued approving the Administrative Organization System NO (27) for the year 2011 which was an update of its previous Administrative System NO. (43) for the year 2000.

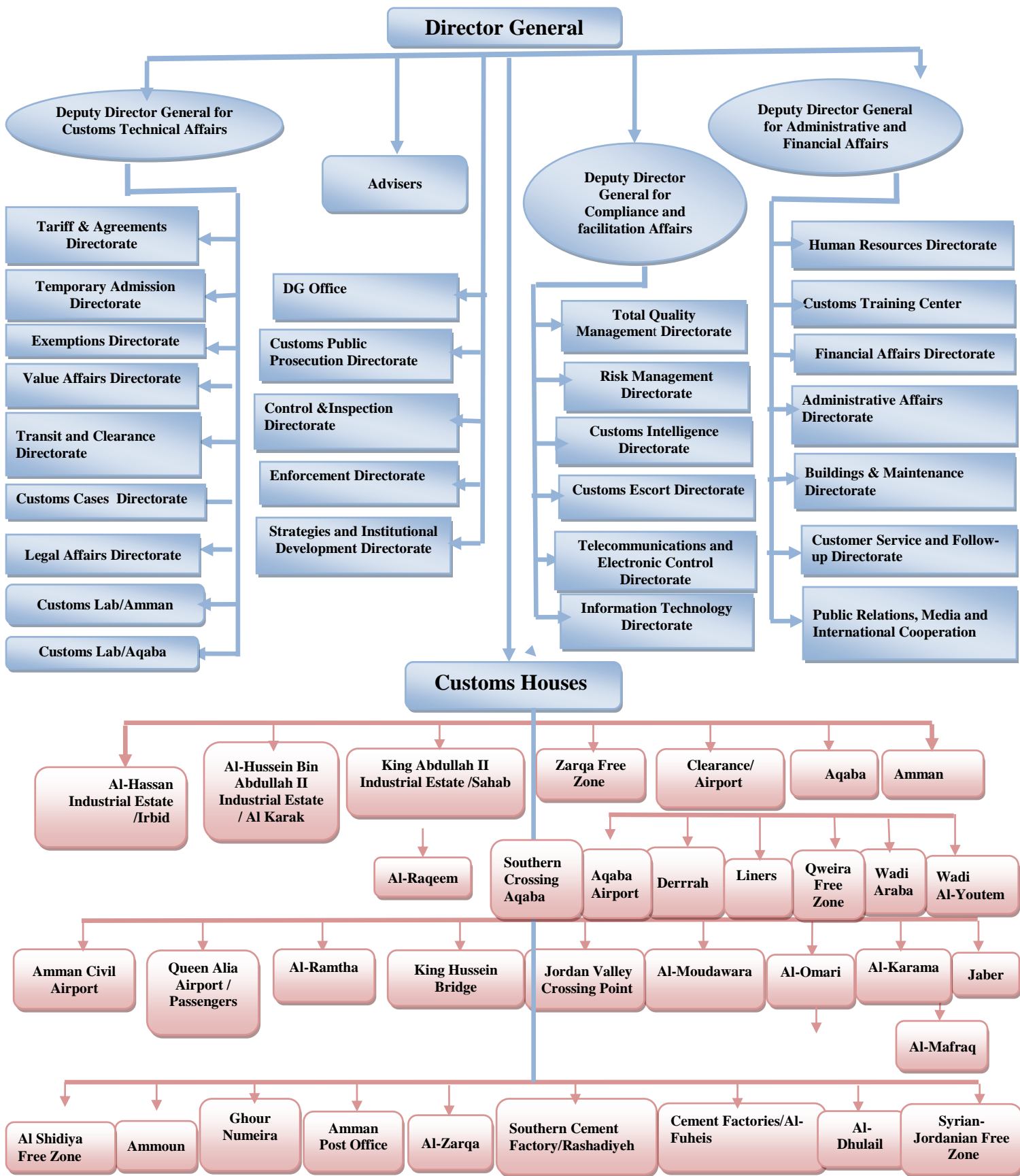
The administrative system of the customs department for the year 2011 corresponds to the developments on the domestic and international levels and obligations of the Kingdom arising from other international and bilateral agreements to which Jordan is a party. The post of Assistant Director-General for compliance and facilitation affairs was created and the directorates related to compliance and facilitation were linked to that post in the context of the department's effort to apply the WCO Security and facilitation of the international trade supply chain to which Jordan Customs is a member.

The planning and coordination committee underwent restructuring by the customs department; and it is responsible for studying the following subjects and making respective recommendations:

1. Plans and programs of the JC department and to follow them up.
2. Department's performance and achievements and the effective ways to **boost** the customs work in order to ensure achievement of objectives in a very efficient manner.
3. The annual plan for training programs for the staff members.
4. The annual budget and the Classifier Table.
5. Draft laws, regulations and instructions relating to the customs work.
6. Organizational structure and the link between directorates, customs houses and divisions according to the requirements of work.
7. Any other issues referred by the Director-General to this committee.

Organizational Structure for Customs Department

Major Directorates and Customs Houses



Chapter 2

Human Resources and Training

Human Resources

The customs department makes sustained efforts and it has a continuous interest in the field of human resources development and performance improvement to the maximum degrees of excellence and innovation. The JC department achieved quantum leaps through using different methods of modernization and development in all areas of customs work, providing appropriate working environment to staff and promoting human cadre capabilities which reflected on the efficiency of service rendered to customers through:

- Provide the staff with specialized training courses to improve performance.
- Expansion of **delegation of authority** which is in turn reflected on the quality of service.
- Infrastructure development and the use of sophisticated devices.
- Implement and develop computerized systems in the interests of work.

1. Structure of Manpower in the Customs Department.

Distribution of Staff according to Gender in 2010-2011

Gender	2010	2011
Male	2835	2816
Female	160	159
Total	2995	2975

Distribution of Staff according to the type of appointment in 2010-2011

Type of appointment	٢٠١٠	٢٠١١
Permanent and classified Jobs	2553	2513
Customs Security Agreement	287	307
Contracts	153	153
Daily Laborers	2	2
Total	2995	2975

Distribution of Staff according to Qualifications in 2010-2011

Qualification	٢٠١٠	٢٠١١
	Total	Total
PH.D	11	12
Masters	131	139
High Diploma	14	١٦
Bachelors	954	٩٨٩
Comprehensive Diploma	294	٣٠٠
Diploma without a Comprehensive Exam	18	18
General Secondary Certificate	609	٦٣٦

Less than General Secondary Certificate	964	٨٦٥
Total	2995	2975

Distribution of Staff by age groups in 2010-2011

Age (by Years)	٢٠١٠	٢٠١١
20-25	156	90
26-30	531	490
31-35	401	442
36-40	427	380
41-45	633	629
46-50	571	595
51-55	209	285
Older than 56	67	64
Total	2995	2975

2. Institutional capacity-building and Human Resources Development:

The customs department reached many achievements during 2010 that enhanced its institutional capacity-building and human resources by providing training and material and moral incentives to employees.

• Training

Because the customs department believed in keeping up with developments in all the scientific and technical fields, it had therefore established the *Customs training centre* in the early 1998. It gave it great care and attention with a view to building institutional capacity for the staff, the clearance companies' staff, representatives of government ministries and departments and customs officers in the countries of the region. Furthermore, various specialized programs were held in cooperation with Jordan Armed Forces, King Abdullah II Center for Special Operations and a number of donors, in addition to several regional courses.

The number of Training Courses and participants during 2011

Subject	The Number of Training course	The Number of Hours	The Number of Participants
Customs Clearance Training Courses for Clearance Companies and Public Security Staff	١٩	٨٨٤	٥٣٨
Computer Training Courses	٣٦	١٥٥٩	١٩٨
Accounting Training Courses	٢٣	٥٣٥	١٥٧
English Language Training Courses	٤	١٥٠	٥١
Administrative Training Courses	٥٨	١٢٣٠	٤٠٢
Customs Technical Training Courses	١٠٣	١٥٦٩	١٣٣٧

Total	٢٤٣	٥٩٢٧	٢٦٨٣
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Discipline and physical fitness training courses for (83) employees were organized on a several batches basis at Special Operations School/ Jordan Armed Forces.

Regional Courses held during 2011

Name of Training Course	Number of participants
Smuggling Crimes	٢٣
Integrity and Combating Corruption	١٩
The Use of Electronic Systems in Risk Management	٢٤
Total	٦٦

• Incentives

The customs department regularly motivates its employees to encourage them to work harder by offering them several material and moral incentives that would contribute to empower staff and increase the percentage of their satisfaction. Therefore, this positive impact will be reflected on enhancing work efficiency and improving performance and it is in turn reflected on satisfaction of the service recipients. Such incentives include; scholarships for teaching sons of workers and retirees, Hajj and Umrah and letters of appreciations as well as providing staff with internal and external training courses. The following table shows statistics of incentives during **2011**:

The Subject of Incentive	Number of Employees
Scholarships for teaching sons of staff and retirees.	١٢٠
Hajj and Umrah	١٠٠
Appreciation Letters	٧٥
Participants of internal representation	٥
Participants of external representation	١٢٤

• Delegation of Authority

To ensure a proper workflow, the JC department has adopted delegation of authority policy to directors of customs houses and heads of clearance units with a view to completing customs transactions for the benefit of our customers. During 2011, authorization of clearance on some types of goods was delegated to (7) customs houses, for example:

1. Granting an acquittance and completing clearance procedures on exempted vehicles for people with special needs/category of physically disabled, are delegated to Amman customs house.
2. Granting a full residence, as provided for in the instructions of entry of vehicles under temporary entry permits directly at the point of entry, is delegated to directors of customs houses if conditions are satisfied according to instructions. They are also delegated to

make the necessary arrangements to remove all obstacles for entry of vehicles, if all conditions contained in the instructions are satisfied.

3. Local clearance on both banana and decoration fish, under import for consumption declaration (IM4), is delegated to Al Omari customs house.

4. Settlement and clearing of temporary admission transactions for factories near Amman customs house, amounting to (35) factories, are delegated to Amman Customs house.

Chapter 3

Strategic Planning

The Strategic Plan of Jordan Customs Department for 2011-2013

The Customs Department has been developing strategic plans since 2000 on scientific and realistic bases so as to keep up with rapid developments and changes and invest in human resources to ensure improvement of capabilities to support investment and improve services rendered to all customers and stakeholders.

On the basis of following up royal visions and orientations of the government, SWOT analysis, observations and opinions of our partners and evaluation and review of the previous Strategic Plan for 2008-2010, the JC has set its sights on making the strategic plan 2011-2013 to be ambitious and it has to continue application of pilot E-projects, rehabilitation of human resources in order to achieve its strategic objectives, after having achieved significant accomplishments in the previous plan.

The JC Department worked in coordination with Government Performance Monitoring Unit so that the department's Strategic Plan criteria fit in with the computerized system that the prime ministry is working on, to follow-up the work of government departments and institutions, with a view to obtaining integrated results for the performance of government departments, institutions and ministries and which is therefore reflected on the performance of the government as a whole. To this end, the JC department prepared its strategic plan and the evaluation results for the year 2011 were as follows:

A. Evaluation of the strategic objectives according to key performance indicators in 2011:
Achievement of major strategic objectives in 2011 accounted for (94.7%), which is equivalent to the agreed upon positive evaluation within performance indicators evaluation measures for 2011 strategic plan.

Strategic Objectives

Strategic Objective	Number of Indicators	Percentage of Achievement of the Strategic Objective
Combat smuggling and curtail illegal trade activities	٢	%٩٦
Contribute towards motivating business investment environment.	٤	%٨٦,٣
Supply and reinforce the treasury with financial resources	١	%١٠٠
Improve performance and institutional capabilities	٤	%٩٦,٣

Strategic Objective	Indicator Number	Indicators	Responsible party	Targeted ٢٠١١	Achieved ٢٠١١	Evaluation	*Type of Evaluation
Combat smuggling and curtail illegal trade activities	١	Percentage of smuggling cases to the total number of declarations	Directorate of Customs Cases	%١	%١	100%	Positive
	٢	Percentage of Customs Offences to the total number of declarations	Directorate of Customs Cases	4.8%	4.4%	92%	Positive
Contribute towards motivating business investment environment.	٣	The number of agreements to establish free trade with Jordan	Tariffs and Agreements Directorate	2	1	50%	Negative
	٤	Time Release of goods (by minutes)	Quality Directorate	110	107	100%	Positive
	٥	The number of domestic industry production inputs which were exempted from customs duties	Tariffs and Agreements Directorate	35	38	108%	Positive
	٦	The value of exemptions under the Investment Promotion Law (million)	Exemptions Directorate	450	426	95%	Positive
Supply and reinforce the treasury with financial resources	٧	The value of Customs Revenues (by billion)	Financial Directorate	1.315	١,٣٤٥	102%	Positive
Improve performance and institutional capabilities	٨	Percentage of satisfaction of service recipients	Strategies Directorate	81%	82%	101%	Positive
	٩	Percentage of staff satisfaction	Strategies Directorate	88%	84%	96%	Positive
	١٠	The number of trainees in all areas of work	Customs Training Center	3000	2683	89%	Positive
	١١	The number of advanced computerized systems	IT Directorate	10	10	100%	Positive

*Evaluation process was based upon measurements studied by a competent committee and approved by the senior management.

*Target value in 2011 is in **black** color: it was estimated when the strategic plan had been prepared.

*Target value in 2011 is in **blue** color; it was re-estimated after evaluating the first half of 2011.

B. Evaluation of programs listed in the 2011 Strategic Plan:

The strategic plan included (3) major programs, the percentage of completion of all programs accounted for (92%) as shown in the following table:

Programs	Number of Indicators	Percentage of Completion
Combat smuggling and Customs Escort	٤	٨٨,٥%
Administration and Supporting Services	٧	٨٧,٧%
Customs Houses	٦	%١٠٠

C. Evaluation of projects listed in the Strategic Plan for 2011:

1. The number of projects included in the 2011 plan was (30) projects.
2. Achievement of project performance indicators, amounting to (73) indicators, accounted for (69%) of all indicators.
3. Non-completion of a set of projects for reasons resulting from:
 - Delayed funding from donors.
 - Delays of approvals and procedures of other relevant departments.
 - Delays of bidding.
4. The percentage of completion of activities related to the implementation of some projects increased as a result of alternative plans because of the following:
 - Delays of bidding for other projects.
 - Because Aqaba Special Economic Zone Customs merged with Jordan Customs.

Chapter 4

King Abdullah II Award for Excellence in Government Performance and Transparency, Awards and letters of Appreciation

First: King Abdullah II Award for Excellence in Government Performance and Transparency

The Customs Department has achieved, through its participation in "King Abdullah II Award for Excellence in Government Performance and Transparency" Fifth Cycle (2010/2011), the most important achievement in its various success stories by obtaining the Second Rank /Bronze Stage out of (45) public institutions competed for getting this award, within the category of Public Institutions Participating more than Once. Besides, a member of staff won the prize of the best supporting employee.

That award came as a culmination of great efforts made by the customs department to develop and modernize customs work and implement the best global practices by adoption of many creative and evolutionary ideas. In addition, the department is always eager to be a pioneer in this area among regional countries in line with visions of His Majesty King Abdullah II Bin Al Hussein and instructions of good government. Furthermore, the top management, King Abdullah II Award ad hoc working groups and all members of staff have made a united effort to boost all aspects of development and improvement in customs work that resulted in this distinguished achievement, and which clearly reflects a quantum leap in the quality of services rendered to customers and stakeholders.

The World Customs Organization praised that Jordan Customs won that Award through an article published in the World Customs Journal Issue No. (66) On November 2011.

Second, the most important Awards, Certificates and Appreciation Letters

- The department received Arab E-government Shield-Technical Innovation Award/Category of Military and Security Institutions Websites for 2011, granted by Arab Organization for Administrative Development in the Arab League.
- The Customs department received an appreciation letter (by e-mail) from the World Customs Organization for a design made by a customs officer on the occasion of the World Customs Day.
- The Jordan customs is also praised in a report prepared by the World Bank for using quality systems such as (ASYCUDA World, Single Window, Electronic Archiving, E-tracking, Golden List program),which led to facilitate the trade movement in the interest of security and facilitation of the international trade supply chain.

Chapter 5

Customs Revenues

Customs Revenues and Imports

Imports:

The 2011 imports was valued at around (11,733) million dinars with an increase of (1, 210) million dinars more than 2010 imports, which were around (10,523) million dinars, with a growth rate in the volume of imports of (11,5%), according to (IM4) imports for consumption declarations registered on ASYCUDA World System at customs houses, as shown in the following table:

Distribution of Imports	2011 (Million dinars)		2010 (Million dinars)		Change Rate %
	Imports	Percentage%	Imports	Percentage%	
Exempt in Tariff Schedules	3,789	32.29	3,326	31.61	14
Exempt under Agreements	1,593	13.58	1,384	13.16	15
Exempt under resolutions of the Council of Ministers or private laws or franchise companies (excluding oil and its derivatives) or for parties exempt from customs duties	1,620	13.81	1,724	16.38	-6
Oil and derivative Oil	3,456	29.45	2,952	28.05	17
Subject to customs duties according to tariff schedules or preferential fees	1,275	10.87	1,137	10.80	12
Total	11,733	100.00	10,523	100.00	11,5

Customs Revenues:

There was an increase in the customs revenues in 2011 compared with collection of revenues in 2010 by (81) million dinars, representing a growth rate of (6.42%) distributed by type as follows:

Customs Revenues	٢٠١١		٢٠١٠		The Value of Change (Million dinars)	Change Rate%
	Value (Million JDs)	Relative Importance %	Value (Million JD)	Relative Importance %		
Customs Duties	285.48	21.2	272.93	21.60	12.55	4.60
Sales Tax	867.50	64.5	810.43	64.13	57.07	7.04
Other Departments Fees	102.13	7.59	96.12	7.61	6.01	6.25
Customs Deposits	49.70	3.70	49.69	3.93	0.01	0.02
Ministry of Finance Deposits	27.00	2.01	21.84	1.73	5.16	23.63
Fines and Confiscations	12.93	0.96	12.52	0.99	0.41	3.24
Drawback Deposits	0.13	.01	0.22	0.02	-0.09	-39.11
Total Revenues	1,344.87	100	1,263.75	100	81.12	6.42

The Customs duties include in addition to the tariff fee, Customs Houses and E-Tracking service charges and other fees and taxes.

General Sales Tax

The 2011 collection of Sales tax amounting to around (867.5) million JDs (according to the date of financial receipts) compared with collections in 2010 amounting to (810.4) million JDs with an increase of (57.1) million JDs.

Vehicles

The table below shows Kingdom's imports of saloon vehicles subject to customs duties and sales tax, including hybrid vehicles. The number of vehicles underwent customs clearance in 2011 decreased compared with 2010, due to the government's decision to impose a Special Tax on hybrid vehicles, which reduced the demand for clearance of this type of vehicles.

Description	٢٠١٠		2٠١١	
	Number	Value (Million JDs)	Number	Value (Million JDs)
Hybrid Vehicles	٦٠٨٢	١٢٤,١٩	٤٦٨	8.04
New Vehicles Subject to Customs Duties and Sales Tax	٧٧٨٦	٨٠,٦٣	٨٢٤٥	85.68
New Vehicles and Second Hand Vehicles Subject to Customs Duties and Sales Tax	٥٠٦٧٧	٢٣٥,٣٤	٥٢٦٠٨	٢٤٦,٩٤
Total	٦٤٥٤٥	٤٤٠,١٦	٦١٣٢١	٣٤٠,٦٦

The following table shows the total of collection of customs revenues according to the customs house by million dinars.

Customs house	2011		2010		The value of change %	Change Rate%
	Amount	Percentage	Amount	Percentage		
Aqaba Customs House	393.28	29.24	337.51	26.71	55.77	16.52
Amman Customs House	343.89	25.57	344.55	27.26	-0.66	-0.19
Al-Zarqa Free Zone Customs House/ Vehicles	230.67	17.15	229.86	18.19	0.81	0.35
Airport Customs House/ Clearance	97.47	7.25	89.42	7.08	8.05	9.00
Public Warehouses/Amman Customs House	58.28	4.33	46.19	3.65	12.09	26.17
Zarqa Free Zone Customs House/ Goods	50.10	3.73	44.89	3.55	5.21	11.61
Al-Omari Customs House	38.15	2.84	43.16	3.42	-5.01	-11.61
Financial Affairs Directorate	23.01	1.71	19.06	1.51	3.95	20.72
King Abdullah II Bin Al-Hussein Industrial Estate Customs House/Sahab	35.95	2.67	33.23	2.63	2.72	8.19
Jaber Customs House	30.44	2.26	32.66	2.58	-2.22	-6.80
Jordanian -Syrian Free Zone Customs House	7.17	0.53	8.60	0.68	-1.43	-16.63
Al-Karama Customs House	8.67	0.64	7.40	0.59	1.27	17.16
Al-Mudawarra Customs House	4.73	0.35	3.13	0.25	1.60	51.12
Anti-Smuggling Directorate	3.01	0.22	2.34	0.19	0.67	28.63
Jordan Valley Crossing Point Customs House	4.13	0.31	2.91	0.23	1.22	41.92
King Hussein Bridge Customs House/Southern Shuneh	3.53	0.26%	2.86	0.23	0.67	23.43
Mafrq Customs House	1.97	0.15	2.23	0.18	-0.26	-11.66
Al-Ramtha Customs House	2.25	0.17	4.02	0.32	-1.77	-44.03
Al-Qweirah Customs House	1.40	0.10	2.75	0.22	-1.35	-49.09
Customs Cases Directorate	1.94	0.14	1.86	0.15	0.08	4.30
Airport Customs House/Passengers	0.97	0.07	0.76	0.06	0.21	27.63
Al-Hassan Industrial Estate Customs House/Irbid	0.75	0.06	0.69	0.05	0.06	8.70
Wadi Al-Youtem Customs House	0.74	0.06	0.75	0.06	-0.01	-1.33
Al-Dhulail Customs House	0.52	0.04	0.52	0.04	0.00	0.00
Amman Post Office Customs House	0.53	0.04	0.64	0.05	-0.11	-17.19
Al-Raqeem Customs House	0.38	0.03	0.41	0.03	-0.03	-7.32
Al-Hussein Bin Abdullah II Industrial Estate Customs House/Karak	0.43	0.03	0.94	0.07	-0.51	-54.26
Wadi Araba Customs House	0.16	0.01	0.13	0.01	0.03	23.08
Ghour Numaira Customs House	0.21	0.02	0.11	0.01	0.10	90.91
Al-Sheidiya Customs House	0.09	0.01	0.07	0.01	0.02	28.57
Amman Civil Airport Customs House	0.03	0.00	0.03	0.00	0.00	0.00
Ammon Customs House	0.01	0.00	0.05	0.00	-0.04	-80.00
Al-Zarqa Customs House	0.02	0.00	0.03	0.00	-0.01	-33.33
Total	1,344.88	100	1,263.76	100	81.12	6.42

The following table shows collections of other departments fees (Excluding GST) in 2011 compared with 2010 (by million dinars)

Fees of Other Departments	2011		2010		Value of Change	Change Rate %
	Amount	Percentage %	Amount	Percentage %		
Pre-payment of 2% for Income Tax	41.32	40.46	38.19	39.74	3.13	8.20
Road traffic service charges and customs escort fees	29.46	28.85	29.09	30.27	0.37	1.27
Stamp Fees	15.25	14.93	16.47	17.14	-1.22	-7.41
X-ray Scanning service charges	5.97	5.85	5.31	5.53	0.66	12.43
Export fees on Scrap Paper	3.00	2.94	1.3	1.35	1.70	130.77
Overloading Fines	2.24	2.19	2.14	2.23	0.10	4.67
Agricultural, Veterinary and Animal Health service charges	2.09	2.05	1.43	1.49	0.66	46.15
Department of drivers and vehicles licensing fees	1.51	1.48	1.32	1.37	0.19	14.39
Allowance for differences in quantities of diesel	1.15	1.13	0.68	0.71	0.47	69.12
Agricultural Quarantines Fees	0.14	0.14	0.14	0.15	0.00	0.00
Export duty on Iron, Aluminum and Copper Scrap	0.00	0.00	0.03	0.03	-0.03	-100
Total	102.13	100	96.10	100	6.03	6.27

The table below shows collection of Ministry of Finance Deposits in 2011 compared with 2010 (by million dinars)

Ministry of Finance Deposits	2011		2010		Value of Change	Change Rate %
	Amount	Percentage	Amount	Percentage		
Customs Insurances	21.10	78.15	16.17	74.07	4.93	30.49
Standards service charges	4.47	16.56	4.52	20.71	-0.05	-1.11
Inspection Fee on Consignments of Food	1.10	4.07	1.06	4.86	0.04	3.77
Radiological border surveillance fee	0.29	1.07	0	0.00	0.29	.
Control service charges- Scrap Imports	0.04	0.15	0.08	0.37	-0.04	-50
Total	27.00	100	21.83	100	5.17	23.68

The following table shows distribution of categories of customs duties on imports subjected to a unified tariff duty for the period 2010-2011

Tariff Rates	2011				2010			
	Unified Tariff duties	Percentage	Imports	Percentage	Unified Tariff duties	Percentage	Imports	Percentage
More than Zero and less than or equal to 10%	23.30	9.27	361.95	28.39	18.76	7.75	255.13	22.44
More than 10% and less than or equal to 20%	82.70	32.92	458.01	35.92	77.14	31.85	425.91	37.47
More than 20% and less than or equal to 30%	106.24	42.28	341.20	26.76	110.86	45.77	379.36	33.37
More than 30%	24.85	9.89	32.65	2.56	34.79	14.36	72.84	6.41
Specific Unified Tariff Duty	14.16	5.64	81.25	6.37	0.64	0.26	3.56	0.31
Total	251.25	100	1275.06	100	242.19	100	1136.80	100

Tariff weighted average for imports in 2011 **19.70%**

Tariff weighted average for imports in 2010 **21.30%**

The table of numbers and types of recorded declarations during 2011 compared with 2010.

Type of Customs Declaration	Code of Customs Declaration	Number of Recorded Declarations		Change Rate %
		2011	2010	
Permanent Export	EX1	144,134	134,800	6.92
Temporary Export	EX2	1,265	1,348	-6.16
Re-Export	EX3	26,627	28,821	-7.61
Import for Consumption	IM4	371,850	373,440	-0.43
Temporary Admission	IM5	29,169	28,117	3.74
Re-import for Consumption	IM6	1,517	1,405	7.97
Bonded Deposit	IM7	10,683	10,909	-2.07
Import for Consumption (Household effects for Expatriates)	RD4	3,437	3,673	-6.43
Import for Consumption (Personal Effects)	SD4	13,063	17,825	-26.72
Transit	TR8	433,763	418,610	3.62
Other Customs Statuses	AR9	10,807	10,814	-0.06
Total		1,046,315	1,029,762	1.61

Customs Cases

By achievement of the strategic objective pertaining to combating illegal trade activities, Jordan Customs detected a number of smuggling cases and customs offences. The table below shows the numbers of finalized customs cases and their respective collections in 2011 compared with 2010.

The table below shows finalized Cases and value of collected fines in 2011

Type of Case	٢٠١١		٢٠١٠	
	Number	*Collection of Fines by (Million JDs)	Number	*Collection of Fines by (Million JDs)
Smuggling	٨٥٨٥	٧,٢١	١١٢٥٦	٧,٥٠
Customs Offences	٤٦٠٨٣	٥,٠٨	٥٤٤٩١	٤,٦٠
	٥٤٦٦٨	١٢,٢٩	٦٥٧٤٧	١٢,١٠

*The above **Customs fines** are the gross amounts which are actually paid during the year under financial receipts.

Chapter 7

Achievements and Activities

Based on the Customs Department's strategic objectives and a belief in change and modernization philosophy, the Jordan Customs embodies the principles of the WCO to build bridges with countries in the region and other countries in the world. Jordan Customs contributes to the International Supply Chain Security and it also plays an important role in control of compliance and achievement of its respective requirements. This role has proved to be effective through implementing several activities, for example but not limited to the following:

➤ **Information Technology**

Jordan Customs exerts a lot of efforts to modernize and develop customs operations and procedures at all of the directorates and customs houses in accordance with annual action plans that stemmed from the department's strategic plan. This significantly contributes towards excellent customs services which reflect vision and mission of the department. In 2011, customs department continued to expand implementation of pioneering projects that resulted in achievement of strategic objectives so as to facilitate, simplify and control all aspects of the customs operations. These developments include:

◆ **ASYCUDA WORLD SYSTEM**

It is a global computerized system for customs procedures that aims at facilitating trade by enhancing operational capacity of the Customs Administrations in order to carry out their financial and control tasks through using advanced computerized systems in line with global rapid developments for the benefit of our customers and stakeholders. One of the advantages of this system is being a centralized system based on the Internet and linked to other systems developed by IT Directorate. ASYCUDA also uses the Integrated Tariff System through which the (SAD= Single Administrative Document) is being used, and it is also compatible with the Revised Kyoto Convention and utilizes a global coding system. Furthermore, there is a data-base available on the Internet designed for ASYCUDA World System that allows other Customs Administrations and stakeholders to manage most of their business-starting from declaration of goods to registration of customs declarations and transit documents via the Internet and this effectively contributes to the realization of e-government concept.

ASYCUDA World System was fully implemented at both Ghore Numeirah customs house and Airport customs house/passengers during 2011 and that which rose the number of customs houses **implementing** this system to (27). Seven more domestic computerized systems are programmed through this system and they have become an integral part of it. These systems include:

- Customs Bond System aims at granting the head of the relevant unit official power to issue customs bonds; through preparing a customs bond on the customs transaction screen at Asycuda World System; through which a customs declaration lane is converted from its original lane (green, yellow, red) into the blue lane. The customs declaration shall not be completed or dispatched to the department's archives until a customs bond is settled electronically. In case it

is kept unsettled, after the given legal deadline has elapsed, the clearance company shall be denied access to the system and it is not allowed to work again on ASYCUDA unless such a customs bond is duly settled or extended. In addition, other government departments representatives are granted the power to prepare customs bonds at customs houses (Jordan Food and Drug Administration, Jordan Standards and Metrology Organization, Ministry of Agriculture) for their self-follow up by changing the original lane (yellow, green) into the blue lane in the context of selective single-window of other government departments without referring to the customs department. That customs bonds system was implemented at (14) customs houses.

- Value System was applied at the first pioneering customs house i.e. King Abdullah II bin Al Hussein Industrial Estate/Sahab) and it started with three main tariff items (LCDs, Tires, Coffee). That system is currently expanding to include other customs houses and increase targeted tariff items.
- Customs Declarations Dispatch System was implemented at a number of customs houses: Amman, bonded warehouse, Zarqa Free Zone/ Goods, Post Office, Sahab, Airport /Clearance and Jordan Valley Crossing point.
- Postal Parcels Exemption System was upgraded at Post Office Customs House.
- Passengers Seizure System at Marka Airport customs house and Jaber customs house as well as the sub- programs (seizure deposits–settlement of seizures) at customs houses implementing seizure system.
- Expand the application of selective system of other government departments at Omari customs house and bonded warehouse. The employees of other government departments were trained on this system.
- Design new software to link private bonded warehouses to ASYCUDA system, and grant owners of these bonded warehouses the power so that they shall be notified of the arrival of the goods to their bonded warehouses.

The main (Servers) with high specifications were upgraded due to implementation of the above computerized systems. ASYCUDA databases were fed into these servers which are considered the fastest devices in the kingdom. Another procedure for upgrading ASYCUDA system was separating the database of old (ASYCUDA + +) from the new database of ASYCUDA World System.

♦ **Electronic Gates System** aims at increasing *control and surveillance* over entry and exit of trucks at customs houses to curtail smuggling as much as possible and to reduce the human intervention through electronic gates installed on the exit doors at (6) customs houses.

♦ **Customer Service System** was designed to forward customs transactions to the competent authority in the department and then to follow-up on their completion, thus reducing the time

release. There are now (53) E-Services implemented in most of the directorates in addition to (11) main customs houses.

◆ **Information Bank and Decision Support Systems** aim at extracting all of the required reports and statistics to predict the potential risks about importers and clearance companies and any other information which will help decision-makers. That project was implemented at (3) major directorates.

◆ **Electronic Archives Project** aims at storing paper customs declarations and official electronic documents for future reference, if necessary. That project was implemented in mid 2009. Approximately one million customs declarations are stored annually. The official documents of (5) directorates and (4) main customs houses were stored.

◆ **Electronic connection with the public and private sectors**

Electronic connection and exchange of information with the public and private sectors institutions aim at establishing an E-government working environment. This facilitates exchange of data and information between such institutions via E-government portal and completion of transactions which various parties are engaged in, through a single window, in order to expedite the time release, simplify procedures, raise the efficiency and integration of relevant institutions and quick access to accurate information so as to make decisions in due course. The customs department expanded electronic connections and exchange of information with more parties including (Ministry of Transport, Jordan Standards and Metrology Organization, Civil Status and Passports Department, and a number of commercial banks). A number of government ministries and institutions were contacted to link up with customs department. The number of public and private parties engaged in E-connections reached (15) until the year 2011.

◆ **Upgrade Customs website**

This project aims at upgrading Jordan Custom's website on the Internet (www.customs.gov.jo) so as to be adapted for the requirements of E-government services. It also aims at improving customs electronic services in terms of efficiency, speed and accuracy of information with an attractive design which makes it easy to handle. Furthermore, new electronic services were designed for the benefit of customers; such as (the disabled exemption system, car prices entry system by brand agents, inspection forms system, financial claims inquiry system), in addition to upgrading the contents of the site. Customs website was awarded E-government Award shield/for technical innovation by Arab Organization for Development, within the category of Arab government websites. This site has been put out to tender again in order to develop it and to proceed with implementation during 2012 according to the latest existing technology.

➤ **Communications and Electronic Control**

◆ **Electronic Tracking System for Transit Trucks** aims at facilitating and speeding up transit trade and controlling the movement of transit trucks passing through the Kingdom by

using the latest techniques of communications, satellites and digital maps to detect any violations during a trip. It is currently implemented at (14) main customs houses in addition to the existing customs escort directorate that works as a supporter for this system. An amount of (4.9JD) millions dinars were collected as service charges during 2011 compared with 2010 in which (3.5) millions dinars were collected. The number of trucks that were tracked in 2011 accounted for (245) thousands; in addition to more than (111) thousands trucks were escorted by customs officers.

♦ **TV Monitoring System** provides for a live monitoring for customs operations and the movement of passengers, goods and transportation through using (300) TV cameras. It also assist in passing on notes and information to the customs staff at borders, to assist them with their official duties, and following them up by their officers in charge or by the Director General. That system aims at curtailing cases of smuggling and recording all events taking place at customs houses on a daily basis.

➤ **Combat smuggling**

Smuggling is a serious danger to the Kingdom economically and socially. The Customs Law texts came to define acts that constitute a smuggling crime and the like, in addition to acts that constitute customs offences and penalties that should be applied to such acts. That law gave the power to customs officers to combat smuggling since the first legislation regulating the customs department's work was issued in 1926. To fully achieve the tasks and responsibilities of Anti-Smuggling Directorate, the customs department has adopted many advance techniques and methodologies to combat all forms of smuggling. The customs department managed, through its qualified staff, to perform many of these tasks during 2011. The number of customs cases reached (2812) cases, (88) offences and (2724) cases of smuggling, and large quantities of drugs seized during 2011 amounting to (1531) kg compared with (356) kg in 2010.

➤ **Customs Intelligence**

The importance of customs intelligence stems from the fact that it provides intelligence information that provide for solutions to the challenges faced by governments and Customs Administrations. It also creates a balance between secure customs control and International Supply Chain Facilitation. Furthermore, it is assisting customs officers with making quick decisions, reporting and forecasting on the basis of accuracy and objectivity.

Achievements of intelligence work in 2011 can be summed up in the following aspects:

1) **Complaints Management**

Customs Intelligence Directorate is responsible for managing complaints boxes. It deals with these complaints on a daily basis in coordination with the suggestions and complaints follow-up committee that was set up for that purpose. The *Customs Intelligence Directorate* is considered as a link between the public and all organizational units by dealing with such

complaints and suggestions, and then these complaints are referred to the competent authority in order to solve the problems faced by our customers. Complaints and suggestions received through the following channels;

- Submit complaints to the following e-mail compsug@customs.gov.jo
- Call a toll-free number 080022999
- Fill in a form at the information desk or near existing complaints boxes in the department and main customs houses.
- Interviews with:
 - Director of the relevant customs house.
 - Director of Customs Intelligence – Customs Headquarters.
 - The Complaints Section Staff - Customs Headquarters.
 - Suggestions and Complaints follow-up committee.

In case a customer or even a customs employee does not want to submit his/her complaint to the department, she/he can do that via the Ministry of Public Sector Development website, to which some of the intelligence staff have access. They shall deal with complaints pertaining to the customs department and then all such complaints will be referred to the competent directorates in order to find suitable solutions. After that, these complaints shall be settled on the Ministry of Public Sector Development website. The number of complaints, that were dealt with and resolved, reached (198) complaints in 2011.

2) Reporting and Anti-smuggling

In 2011, the customs department dealt with (27) intelligence cases following incoming information on existing cases of smuggling. The value of the customs fees due on those cases amounting to around (4) million dinars.

3) Anti-Money Laundering/Combating the Financing of Terrorism

The customs department dealt with (21) cases pertaining to the application of Anti Money Laundering and Counter Terrorist Financing Law No. (46) for the Year 2007 and its amendments, thus resolving (18) cases. The value of fines and fees amounting to (47,610) dinars, while there are still (3) cases pending before the court.

4) Coordination and exchange of information on the regional and international level

The number of notifications and reports in 2011, received from other countries and the regional office for exchange of information in the Middle East, reached (43) cases, and they were all published on the Customs intranet. There were (18) significant cases reported to countries in the region and the Regional Office as well as two joint operations.

➤ Golden List program

With renewed enthusiasm, the Jordan Customs continues to adopt a typical approach of facilitating, simplifying and creating opportunities for the trading partners. Another aspect of this approach is “the Golden List program” which is a valuable advantage through which member companies are granted a package of customs facilitations as well as preferential advantages which these companies shall obtain from foreign countries interested in this

program. This will have a significant impact on promoting the competitive status of Jordanian companies listed in the golden list program in the global markets. The Golden List program is based on the principle of voluntary compliance to regulations and legislations by those companies and acceptance of field post-audit procedures by specialized customs committees; these committees shall verify that these companies comply with regulations and legislations and adequacy of their internal control systems. Furthermore, they shall also verify availability of security systems and procedures compatible with international standards. In case of compliance, the company will be approved among existing golden list companies.

The total number of companies joining the program amounting to (34), following more new (6) companies included in the program during 2011, after a compliance audit committee finished its field audits on these companies, which include:

1. Middle East Agency for Import & Consultancy Co. (Medica).
2. Veterinary and Agricultural Medicines Factories Co.(VABCO).
3. United Company for Innovation for ready-made clothing Manufacturing.
4. Palestinian commercial company.
5. Naseem Eldada Co. & partners.
6. Trans-med Company - Jordan.

During 2011, (3) workshops were held, in cooperation with Amman Chamber of Commerce, Jordan Chamber of Commerce, Amman Chamber of Industry and fiscal reform project II, to acquaint participants with the golden list program and to encourage companies to join it.

➤ **Intellectual Property Protection**

To promote its important role in the intellectual property rights protection, the Jordan Customs has taken the following procedures during 2011:

- 1) Coordination with the Ministry of Justice to contact judicial authorities regarding intellectual property cases submitted to the competent courts and which have not been finalized till date; to prevent stacks of goods pertaining to these cases inside customs houses. This has resulted in receiving peremptory decisions including how to dispose of the goods that infringe intellectual property rights.
- 2) Electronic connection with the Ministry of Industry and Trade was completed/Registrar of Trademarks to update information related to legal representatives and their addresses in the trademark system available on the customs electronic encyclopedia.
- 3) There were many accomplishments regarding border measures took place during 2011, including the following:
 - Issuance of circulars concerning intellectual property protection of about 105 different trademarks on the Customs Intranet.
 - Right holders or their legal representatives should be informed about average of (800) notifications on different brands, related to about (250) customs transactions, concerning incoming samples of goods from customs houses. All these files were computerized in the intellectual property section at the customs headquarters.

- Filing (54) cases by right holders or their legal representatives to the competent courts regarding trademarks.
 - Relevant customs houses shall be contacted to destroy goods bearing different trademarks as various peremptory decisions issued by competent courts.
- 4) Renew memoranda of understanding with the following companies:
- Philip Morris
 - Nestlé
 - Beiersdorf

A large number of training workshops were held in coordination with the legal representatives for trademarks owners in the context of rehabilitation of the customs staff in this regard. These workshops aimed at acquainting customs officers with the importance of intellectual property rights protection and differentiation between genuine goods and counterfeit goods in coordination with Customs Training Center.

Jordan Customs has reached a very important stage in pursuit of cases of infringement of intellectual property in line with global trends in this regard; the number of cases seized in 2011 amounting to (63) cases.

➤ **Customs Total Quality Management**

According to our plans to fully meet the requirements of excellence, perfection and quality through the optimum use of human resources and existing opportunities, the Jordan customs is intensively working at maintaining and sustaining the implementation of ISO International Standards at directorates and customs houses.

First: with respect to the certificate of International Standard (ISO 9001: 2008)

1) Renew and re-grant the certificate

A. Customs Headquarters

The customs headquarters had previously obtained certificate of international standard ISO for the first time in 2004. The JC department continued modernization, development and continuous improvement procedures which resulted in renewal of the certificate for the second time in 2008 and for the third time in 2011, with three other directorates added; (Enforcement Directorate, Public Prosecution Directorate and Customs Escort Directorate).

B. Re-grant renewal of the ISO certificate to Zarqa Free Zone customs house (Goods and Vehicles)

The certificate was first obtained in 2008 and renewed in 2011 which directly reflects quality of services rendered at this customs house in terms of speedy achievement, accuracy, control and computerized processes the latest of which was the success in the implementation of electronic archiving that provides for various facilitations for both the customers and employees.

2) Renewal of the certificate

- The certificate granted within one scope for each of the customs house operating in the Qualified Industrial Zones QIZ, following consolidation of procedures of the following customs houses:
- Al Hassan Industrial Estate / Irbid.
- King Hussein Bin Abdullah II Industrial Estate /Karak.
- Al-Dhulail Customs House operating in Dhulail industrial complex / Al Zarka.
- Al-Raqeem Customs House operating in Al Tajamouat industrial city (Specialized Investment Compounds Company)/ Sahab

3) Maintenance of applied quality system.

A regular maintenance for Quality Management System implemented in a number of customs houses, which had already obtained ISO International Standards Certificate, was made through two annual audits .These customs houses are:

- King Abdullah II Bin Al Hussein Industrial Estate / Sahab.
- Airport Customs House/ Clearance .
- Jordan Valley Crossing Point Customs House.
- Jaber Customs House.

Second: Total Quality Management Contribution to Continuous Improvement

1) Development of a system for Initiatives, Suggestions and Complaints

The electronic system for initiatives, suggestions and internal complaints submitted by customs officials was developed so that these suggestions and complaints shall be followed up by competent authorities in the department and through liaison officers. More than (600) internal proposals, complaints and initiatives were dealt with in 2011.

2) Development of Customs studies and researches follow-up system

Customs studies and researches follow-up system was developed so that it included all of the studies prepared by the Customs Department in an institutional manner. It also includes all of the studies prepared by customs officers through their practical and academic studies as well as studies prepared by researchers from outside the customs department.

3) Prepare the time release study

The final stages of the time release of goods study were completed in 2011. That study was conducted at three customs houses to cover all scopes of work in the customs houses; the scope of comprehensive clearance as represented by Amman Customs House, the scope of border clearance as represented by Omari Customs House and the scope of maritime clearance as represented by Aqaba Customs House.

➤ Exemptions

Customs department is continuously in pursuit of simplification and facilitation of its procedures and provides for easy and simplified services to meet the needs of customers and other stakeholders in general and People with Special Needs in particular. Given the human dimension in this aspect, Jordan Customs was interested in that segment of the society and achieved many accomplishments in 2011 in this regard, the most important of which were the following:

- 1) Delegation of authority to head of people with special needs Section to make it easy for the disabled to complete their transactions.
- 2) Reduce re-export procedures of exempted vehicles to Zarqa free zone so that a vehicle is re-exported directly to Zarqa free zone without referring to Amman Customs House for organizing re-export declaration.
- 3) Provide wheelchairs for people with special needs to make it easier for them to move on the department's premises.
- 4) Create a website on the customs intranet including all procedures regarding exemptions and required documents so that customers can access that kind of information on that website in advance before consulting the department. Furthermore, if customers want to inquire about interviews and access this information, they have to enter the national number, which would significantly save time and effort of customers with special needs.
- 5) Simplify procedures of exempted vehicles delivery so that these procedures are completed in Amman customs house and at the same place for other government agencies (Department of Drivers and Vehicles Licensing department and Amman Municipality).
- 6) To ease and streamline exemption procedures for people living in the southern governorates, the special committee for exemptions of the disabled held its meetings in Aqaba governorate on a regular basis. All procedures were significantly successful and well received by the disabled.
- 7) Establish principles and terms for exemptions of pygmies by the committee responsible for exemptions of the disabled. The Minister of Finance has approved that decision, and then conditions and regulations under circular NO. (3) for the year 2011 were published.

➤ **Contributions to the social responsibility**

The Jordan Customs Department is well aware of its important role in bearing the responsibilities towards the community; the JC department played an effective role in community development through participation in various events, which directly benefit the community and the local environment. The Jordan Customs participated in various activities related to community development in 2011, for example but not limited to the following:

- Participated in national holidays and events, including involvement with Jordan armed forces to celebrate Al-Karama Day.
- Participated in various workshops which aimed at preserving the environment, including a workshop on "Illicit trafficking in Endangered Wildlife".
- Organized two blood donation campaigns.

- Received students from different public and private Jordanian universities amounting to 72 students for the purposes of training.
- Rationalization and control of expenditure in the consumption of water, electricity, communications and fuel. There were savings amounted to (402,706) dinars in 2011.
- Distributed charity parcels to poor families.
- Gave lectures to students from Jordanian universities on the role of Jordan Customs in the protection of the local community.

Chapter 7

The Partners of the Customs Department

First: The partnership Council with the Private Sector

First: The partnership council was established in 2000 between customs department and the private sector for the purposes of having discussions about all matters that would provide a proper climate for investment. The Council convenes four times a year; these meetings are being held at the end of March, June, September and December, whenever necessary.

Second: The Council includes representatives from each of:

1. Jordan Customs Department
2. Jordanian Businessmen Association
3. Jordanian Exporters Association
4. Jordan Chamber of Commerce
5. Jordan Chamber of Industry
6. Free Zones Investors Commission
7. Syndicate of Clearance Companies and Transport of Goods
8. Association of Car Agents and Car Spare Parts and accessories Dealers
9. Amman Chamber of Industry
10. Irbid Chamber of Industry
11. Zarqa Chamber of Industry
12. Jordanian Society for Computers
13. Jordanian Logistics Association

The meeting is chaired by HE the Director General of Jordan Customs. Senior staff and directors of directorates and customs houses, who are engaged with relevant issues on the Agenda of the meetings, are also invited.

Third: The most prominent issues of mutual interest to both sectors are presented to the Council. The following matters are being discussed:

1. The possible amendments to the customs law and its respective approval by the Council before issuance.
2. Notifications and circulars issued by the department that would affect different sectors, thus the competent authority is being invited so that the council would discuss these issue with it prior to approval of such notifications and circulars.
3. Problems and issues faced by a particular sector in connection with Customs to find the best solutions.
4. Present examples of different resolutions issued by the department, in order to verify that they are compatible with the public interest.
5. Any other issues of interest to members.

Fourth: The partnership council continued its meetings during 2011. It met three times at the end of the first quarter, second quarter and the last quarter in 2011, while the third quarter meeting was not held because of the lack of subjects included on the agenda.

First meeting

It was held on 14/3/2011 under the auspices of Jordan Chamber of Commerce at Crown Plaza Amman. They discussed the request for restoration of work on Saturday submitted by a number of employees from clearance companies. The Council was satisfied that it was in the public interest and national economy promotion to continue working on Saturdays. The most important decisions taken during the meeting were:

- Clearance companies have to re-organize their business, so that work shall be divided on laborers on Saturdays alternately with each other.
- Both the commercial and industrial sectors must adhere to modifying clearance wages, so that Syndicate of Clearance Companies and Transport of Goods shall submit a formal request to modify clearance wages for customs declarations, provided that these wages shall be reflected on salaries of employees in the clearance companies.
- Clearance companies have to pay allowances for working on Saturdays to its laborers.
- Clearance companies are required to register their entire laborers under the umbrella of Social Security Law.

Second meeting

It was held on 09/07/2011 under the auspices of free zones investors' commission, and they discussed more than (38) subjects related to the private sector, the most important decisions taken in the meeting were:

- A committee is to be set up from all involved parties with imports of used devices and stocks for the purposes of reconsideration of terms of importation for used devices and stocks.
- Tariff Committee shall consult with experts of product importers for the purposes of providing an illustrative explanation for items referred to the Committee, if necessary.
- Complete procedures of electronic connection with Jordan Institution for Standards and Metrology.
- Study the decision of the Council of Ministers concerning the imposition of customs duties on scrap.
- A committee is to be set up to study the request submitted by Alba House Company regarding introducing semi-finished materials under temporary admission for the purposes of completion of manufacturing and export.
- Present the subject of business hours of other departments' staff for discussion before the Higher Steering Committee of Single window.
- The Minister of Transport should be contacted with regard to the issue of shipping agents not complying with the delivery permit fees, and that fines should be imposed on the owners of vehicles in which there are more items for additional amounts on money, although they are listed on the bill of lading and these amounts should be collected.
- Consider the issue of raising wages of clearance in preparation for approval after the holy month of Ramadan, as agreed upon at Council's meeting No (1/2011).

- Include the subject of adoption of customs securities in the future projects to amend the customs law.
- Consider the issue of allocating sub-item to the industrial use for electric wires and electricity buttons and spark plugs which are used as parts in the manufacture of furnaces.
- Contact the Ministry of Industry and Trade for addressing the issue of allowing clearance on goods under fake import permits (importer card) which are used by some importers for the purposes of tax evasion.
- Study the issue of exempting Interactive Boards from customs duties like other information technology devices.
- Contact Income Tax and Sales Department about the request submitted by Information Technology and Communications Companies regarding the possibility of considering Software Licenses as "industrial products" and not as "imported services".
- Contact the Department of Drivers and Vehicles Licensing to consider the possibility of re-implementing repairable plates system for vehicles exited from free zone for repairing.
- Contact the Minister of Transport to consider possibility of re-considering the resolution to prevent clearance on trucks older than one year preceding the year of clearance, so as to allow clearance on trucks that are not older than five years.
- Contacting HE Minister of the Interior to consider possibility of reconsidering clearance on vehicles with black glass.
- The department will be issuing a circular to all members of partnership council to take advantage of short message service (SMS) in the customs transactions.

Third meeting

It was held on 07/01/2012 under the auspices of Jordan Chamber of Industry, about (47) subjects related to the private sector were discussed. **The most important decisions taken in that meeting were:**

- Discuss the issue of establishing specific criteria for preventing clearance of goods under fake import permits (importer card), that some importers are using for the purpose of tax evasion, with the Ministry of Industry and Trade.
- Invite all departments engaged in customs work, including the Ministry of Industry and Trade and Income and Sales Tax Department, to attend the Council's meetings and to participate in discussing items on the agenda so as to speed up important decisions.
- Contact the Ministry of Industry and Trade about the possibility of adding a sub-item for evaporators to exempt that which is used for industrial use.
- Discuss again the issue of exemption of not processed, non-composite and non-synthetic diamonds from customs duties with the committee responsible for exemption of production inputs based on the request submitted by the General Union of Trade and shopkeepers of formulate jewelry.
- Discuss the request for exemption of items listed below, in case they are used for industrial use, with the Committee responsible for exemption of production inputs. The requesting

party indicates that the items referred to are subject to customs duty by 30% and sales tax by 16%, although they are used as industrial production inputs. In addition, items requested to be exempted from customs duties are of (8) mm thickness and are not manufactured in Jordan (Tube: 73066100, Pipes: 73044920, elbows: 73,079,200, T: 73079200).

- Issue a circular to customs houses that emphasizes that there is no need to present the original Bill of Lading before organizing customs declarations on pre-clearance system.
- Inform Al A'abed Institution for chemical fertilizers to provide the JC department (Secretary of the Council) with case studies of agricultural production inputs which are sometimes subject to sales tax.
- Inform Cosmetics and household chemicals Company (Sukhtian) to provide Tariff and Agreements Directorate with all industrial inputs subject to customs duties, including materials used in manufacturing pesticides for the purpose of presenting them to the Committee responsible for exemption of production inputs, with the need to attach its manufacturing equation.
- Follow up the study submitted to the Ministry of Industry and Trade about the exemption of Video Conferencing Devices from customs duties on the grounds that it is information technology devices, so as to present it to the Committee responsible for exemption of production inputs at the next meeting.
- Provide Customs department with a case study of consignment of Car Spare Parts delayed due to value assessment at Amman customs house, so as to be considered by Inspection and Control Directorate.
- Provide Customs department (Secretary of the council) with a case study of refusal of storing goods in Amman customs house warehouses so as to be verified by Inspection and Control Directorate.
- A committee is to be set up from representatives from; the Directorate of Finance Affairs and Directorate of Customer Service and Directorate of Inspection and Control and Directorate of Total Quality Management and Directorate of Information Technology, in order to study customs deposits reimbursement claims in the light of comments received from representative of JWICO company about delayed transactions at deposits Section (the length of reimbursement of insurance charges).

Second: Partners of Customs Department

The Customs Department has adopted a clear methodology for identification and classification of partners in consistent with the nature of this relationship and the role of our partners in achieving the strategic objectives, national goals and royal initiatives. The matrix below shows major and minor partners of the customs department. The nature of that relationship was identified according to a certain mechanism adopted in 2010 and based on the use of a measure of the degree of importance and its impact on achievement of institutional goals to ensure that priorities of coordination and its degree were determined.

NO.	Partner's/ Party's Name	Objective of Partnership / Type of Relation	Methods of Coordination	Level of Partnership		Description of the Partner				
				Major partner	partner	Partnership Framework			Sector	
						Local	Regional	International	Government	Private
1	Prime Ministry	Legislative, Regulatory	Meetings, Seminars, Visits	/		/			/	
2	Ministry of Finance	All Relations	Meetings, Seminars, Visits, Committees	/		/			/	
3	Armed Forces General Command	Legislative, Technical, Exchange of Information	Meetings, Seminars, Lectures, Committees, Electronic Correspondence		/	/			/	
4	Ministry of Interior	Legislative, Technical, Exchange of Information	Meetings, Seminars, Visits		/	/			/	
5	Ministry of Foreign Affairs	Technical, Exchange of Information	Meetings, Seminars, Electronic Correspondence		/	/			/	
6	Ministry of Planning and International Cooperation	Technical, Exchange of Information	Meetings, Seminars, Visits		/	/			/	
7	Ministry of Industry and Trade	Regulatory Legislative, Technical,	Meetings, visits, committees	/		/			/	
8	Ministry of Public Work and Housing	Technical, Legislative	Meetings, Visits, Committees		/	/			/	
9	Ministry of Health	Regulatory, Legislative, Technical,	Meetings, Committees, Memoranda of understanding, Visits, Seminars	/		/			/	
10	Ministry of Communication and Information technology	Technical, Exchange of Information	Meetings, Seminars, Visits		/	/			/	
11	Ministry of Agriculture	Regulatory Legislative, Technical,	Meetings, Committees Memoranda of Understanding,	/		/			/	

			Visits Seminars							
12	Ministry of Environment	Technical, Exchange of Information	Meetings, Lectures		/	/			/	
13	Ministry of Public Sector Development	Technical	Meetings, Seminars, Visits, Committees		/	/			/	
14	Ministry of Energy and Mineral Resources	Technical	Meeting, Visits, Committees		/	/			/	
15	Ministry of Awqaf and Islamic Affairs and Holy Sites	Technical	Meetings, Seminars, Visits, Committees		/	/			/	
16	Ministry of Water and Irrigation	Regulatory	Meetings, Seminars, Visits, Committees	/		/			/	
17	Ministry of Transport	Regulatory, Legislative	Meetings, Seminars, Visits, Committees	/		/			/	
18	General Budget Department*	Legislative, Technical	Meetings, Seminars, Visits, Committees	/		/			/	
19	General Intelligence Department	Regulatory, Technical	Meetings, Seminars, Visits, Committees Electronic Correspondence	/		/			/	
20	General Supplies Department*	Legislative, Technical	Meetings, Visits, Committees	/		/			/	
21	Income and Sales Tax Department	All types of Relations	Meetings, Seminars, Visits, Committees Electronic connection	/		/			/	
22	Department of Press and Publications	Technical, Exchange of Information	Lectures, Visits, Reports		/	/			/	
23	Department of Statistics	Exchange of Information	Reports, Lectures		/	/			/	
24	Government Tenders	Legislative, Technical	Meetings, Visits		/	/			/	

25	Civil Status and Passports Department	Technical, Exchange of Information	Electronic connection, Meetings		/	/			/	
26	Department of Land and Survey	Technical	Meetings, Visits		/	/			/	
27	Royal Geographic Center	Regulatory, Technical	Meetings, Seminars, Visits, Committees	/		/			/	
28	Jordan Food and Drug Administration	All types of Relations	Meetings, Committees, Memoranda of Understanding, Visits, Seminars	/		/			/	
29	Jordan Institution for Standards and Metrology	All types of relations	Meetings, Committees, Memoranda of Understanding, Visits, Seminars	/		/			/	
30	Jordan Radio and Television Corporation	Technical	Meetings, Visits		/	/			/	
31	AUDIOVISUAL Media Foundation	Technical	Meetings, Visits, Seminars		/	/			/	
32	Jordan Industrial Estates Corporation (JIEC)	Legislative, Technical	Meetings, Seminars Visits, Committees		/	/			/	
33	Social Security Corporation	Legislative, Technical, Exchange of Information	Meetings, Electronic Correspondence , Committees		/	/			/	
34	Free Zones Corporation	All types of Relations	Meetings, Seminars Visits, Committees	/		/			/	
35	Aqaba Ports Corporation	All types of Relations	Meetings, Seminars Visits,	/		/			/	
36	Jordan Investment Board	All types of Relations	Meetings, Seminars Visits, Committees	/		/			/	
37	Greater Amman Municipality	Technical	Meetings, Visits, Committees		/	/			/	
38	Legislation and Opinion Bureau	Legislative, Technical	Meetings, Visits, Lectures		/	/			/	
39	Audit Bureau	All types of relations	Meetings, Seminars Visits, Committees	/		/			/	
40	Civil Service Bureau	Technical	Meeting, Visits		/	/			/	
41	Judicial Council	Legislative, Regulatory	Meetings, Visits,	/		/			/	

			Committees							
42	Central bank of Jordan	Legislative, Technical	Meetings, Visits		/	/			/	
43	Commercial Banks	Technical	Electronic Connection, Meetings, Electronic Correspondence		/	/				/
44	Telecommunications Regulatory Commission	Technical	Meetings, Visits		/	/			/	
45	Jordanian Nuclear Energy Commission	Regulatory	Meetings, Seminars Visits, Committees	/		/			/	
46	Land Transport Regulatory Commission	Legislative, Regulatory	Meetings, Visits, Committees	/		/			/	
47	Investment bodies at Industrial Estates*	Technical	Meetings, Seminars Visits, Committees	/		/			/	
48	Development Areas and Free Zones Commission	Legislative, Technical	Meeting, Visits, Lectures		/	/			/	
49	Aqaba Special Economic Zone Authority (ASEZA)	All types of relations	Meetings, Seminars Visits, Committees Electronic Correspondence	/		/			/	
50	Royal Jordanian	Regulatory Technical, Exchange of Information,	Meetings, Seminars Visits, Committees	/		/			/	
51	Public Security/Residence and Border Department	All types of relations	Meetings, Seminars Visits, Committees	/		/			/	
52	Public Security/Department of Drivers and vehicles licensing	All types of relations	Meetings, Seminars Visits, Committees, Electronic Connection	/		/			/	
53	Jordan Armed Forces /Military Security	All types of relations	Meetings, Seminars Visits, Committees Electronic Correspondence	/		/			/	
54	Public Security/Drug Enforcement Administration	All types of relations	Meetings, Seminars Visits, Committees	/		/			/	

			Electronic Correspondence							
55	Anti-Money Laundering & Counter Terrorist Financing unit	All types of relations	Meetings, Seminars Visits, Committees Electronic Correspondence	/		/			/	
56	Civil Defense Directorate	Technical	Meetings, Seminars, Visits		/	/			/	
57	Royal Scientific Society	Legislative, Regulatory	Meetings, Seminars, Visits	/		/			/	
58	Syndicate of Clearance Companies	All types of relations	Meetings, Seminars Visits, Committees Electronic Correspondence	/		/				/
59	Jordan Federation for Insurance Companies	All relations	Meetings, Seminars Visits, Committees Electronic Correspondence	/		/				/
60	Shipping Agents Association	Regulatory Technical, Exchange of Information,	Meetings, Seminars, Visits,	/		/				/
61	Customs Courts (Court of First Instance and Court of appeal)	All types of relations	Meetings, Seminars Visits, Committees Electronic Correspondence	/		/			/	
62	Jordan post	Regulatory, Technical	Meetings, Electronic Correspondence	/		/			/	
63	Regional Office for Information Exchange in the Middle East Region	Exchange of Information	Meetings, Reports, Electronic Correspondence , Visits,		/		/			/
64	WCO Regional Office	Technical, Exchange of Information	Meetings, Reports, Electronic Correspondence , Visits		/		/			/
65	World Customs Organization	Technical, Exchange of Information	Meetings, Reports, Electronic Correspondence , Visits		/			/		/
66	Customs Administrations of Neighboring	All types of relations	Meetings, Seminars Visits, Committees, Electronic	/			/			/

	Countries		Correspondence , Memoranda of Understanding,							
67	World Trade Organization	Technical, Exchange of Information	Meetings, Reports, Electronic Correspondence , Visits		/			/		/
68	Embassies of Foreign Countries	Exchange of Information	Meetings, Reports, Electronic Correspondence , Visits		/		/	/		/
69	USAID	Technical	Meetings, Reports, Electronic Correspondence , Visits		/		/	/		/
70	Members of the Partnership Council	Regulatory, Technical, Exchange of Information,	Meetings, Seminars Visits, Committees, Electronic Correspondence	/		/			/	

***Exception** (working as a partner once or more per year, not on a daily basis, but this has a significant impact on the completion of customs transactions and achievement of strategic objectives).

Chapter 8

Future Aspirations

FUTURE ASPIRATIONS

The Jordan Customs department is looking forward to achieving the following aspirations in 2012:

- Encouraging importers to use the existing pre-clearance service on ASYCUDA World system in order to reduce the time release of transactions.
- Completing the adoption of electronic customs declarations as alternatives to paper declarations so as to reach a department free from papers, if possible.
- Expansion of electronic connection with:
 - The relevant government ministries, departments and institutions.
 - The Private sector.
 - The Customs Administration of neighboring countries.
- Developing the fleet of anti-smuggling patrols and providing them with necessary advanced devices so that they can do their work properly and to ensure their safety.
- Expanding the use of E-Project at the rest of the customs houses.
- Developing inspection procedures so that a customs inspector can record his observations on ASYCUDA World System through using PDA devices.
- A continuous review of legislations in force so as to be consistent with the next stage.
- Providing customs houses with modern and sophisticated devices for examination of containers and trucks by using vehicle x-ray inspection system.
- Using advanced techniques such as RFID Technology to control the movement of trucks and goods and to reduce human intervention as much as possible.
- Expanding implementation of single window project and consolidating other (3) government departments into this project.