

In Brief: Jordan - US Rules of Origin

Rules of origin are the criteria needed to determine the national source of a product. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports. In a globalizing world that promotes economic integration, Rules of Origin ("ROO") places the conditions to ensure that the products that receive tariff and other preferential treatments are those of the targeted trading partner and contribute to its economic development and growth.

Rules of Origin under the Jordan US Free Trade Agreement

Under the Jordan US Free Trade Agreement **goods must be imported directly** to qualify for FTA treatment.

A good qualifies if it is:

- wholly the growth, produce or manufacture of Jordan, or
- a new or different article of commerce that is the growth, produce or manufacture of Jordan provided that the value of the materials produced in Jordan plus direct processing performed in Jordan is not less than 35 percent of the value of the article. US content can be used to meet up to 15 percent of the 35 percent requirement.

To calculate the 35 percent, the **double substantive transformation rule applies**, whereby the entire value of an input may be used to meet the 35

percent requirement if that input underwent a substantive transformation in Jordan. The following may be used to meet the 35 percent requirement, if incurred in Jordan: manufacturer's actual costs for materials; costs for transporting materials, costs, waste/spoilage, taxes and direct processing costs such as labor, molds, research and development, and costs of inspection or testing. Profits or general expenses cannot be counted.

For **textiles and apparel** products to be originating they must meet the 35 percent requirement and be wholly produced in Jordan, or made from fiber spun or filaments extruded in Jordan (for yard and thread), woven or knit in Jordan (for fabric), or assembled in Jordan (for apparel and other textile products)

A **certificate of origin is not required** at the time of importation. By importing and claiming FTA treatment importer is deemed to have certified that the goods qualify under the FTA and must upon a Custom Border Protection (CBP), the importer must request and provide a written declaration substantiating the claim. CBP may verify and deny claims made by importers.

The JUSFTA does not affect goods manufactured in the Qualifying **Industrial Zone (QIZ)**. Jordan also **benefits from the US Generalized System of Preferences (GSP)**.





**The American Chamber
of Commerce in Jordan**

AmCham - Jordan AmCham-Jordan is a member of the United States Chamber of Commerce. Established in 1999 as a voluntary not-for-profit member-based organization that contributes to economic development through the promotion of US-Jordan trade and investment development, policy advocacy, human resources development and business community outreach.



**U.S. - Jordan
Free Trade Agreement Unit**

Based at AmCham-Jordan, **the Free Trade Agreement (FTA) Unit** was established in 2017 with support from the United States Agency for International Development's (USAID) Jordan Competitiveness Program (JCP). The FTA Unit services as Secretariat to the National Tijara Coalition serving Jordanian and American businesses to better understand and utilize the trade and investment opportunities made available under the JUSFTA and the BIT.



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