# In Brief: RoOs under the Jordan-U.S. FTA

**Rules of Origin (RoOs)** 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, RoOs place 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-U.S. Free Trade Agreement (JUSFTA)

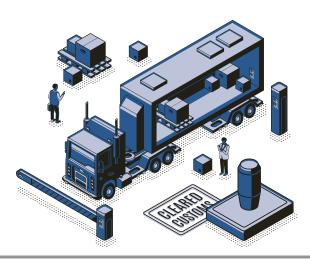
### **General Origin Rules**

- Goods must be imported directly, and
- 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. U.S. content can be used to meet up to 15 percent of the 35 percent requirement.

To calculate the 35 percent, the substantially transformed rule applies meaning that imported material is transformed into a new and different article of commerce, having a new name, character, or use distinct from the article or material from which it was so transformed. For example, to meet the 35 percent requirement, the following costs can be calculated if incurred in Jordan: manufacturer's actual cost 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.







## To qualify for duty-free treatment under the JUSFTA goods must satisfy the following requirements:

- Imported directly from Jordan into the U.S. and is wholly the growth, product, or manufacture of Jordan; or
- Imported directly from Jordan into the U.S. and is a new or different article of commerce that has been grown, produced, or manufactured in Jordan; and
- The sum of (1) the cost or value of the materials produced in Jordan, plus (2) the direct costs of processing operations performed in Jordan is not less than 35% of the appraised value of the article at the time it is entered into the territory of the U.S.
- If the cost or value of materials produced in the customs territory of the United States is included with respect to an article for purposes of determining the 35% domestic content, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the 35%.

### **Origin Rules for Textiles & Apparel**

For Textiles and Apparel products, all textile, apparel, footwear, and travel goods traded between the Jordan and the U.S. is duty-free, provided that such goods meet the Origination Rules:

- Textile or apparel article must be imported directly, and
- A textile or apparel article good qualifies if the following conditions are met:
  - 1- The article is wholly obtained or produced in Jordan;
  - 2- The article is a yarn, thread, twine, cordage, rope, cable or braiding, and
    - i- the constituent staple fibers are spun in Jordan, or
    - ii- the continuous filament is extruded in Jordan;
    - iii- the article is a fabric, including a fabric classified in chapter 59 of the HTS, and the constituent fibers, filaments or yarns are woven, knitted, needled, tufted, felted, entangled or transformed by any other fabric-making process in Jordan, or
    - iv- the article is any other textile or apparel article that is wholly assembled in Jordan from its component pieces.

Textile and apparel articles not wholly obtained or produced in Jordan must comply with the above conditions and the value requirements, as described under "General Origin Rules."

3- Additional specific requirements and exceptions apply for certain articles (specified by headings or subheadings of the HTS).

#### **Certificate of Origin**

While the JUSFTA does not require a certificate of origin at the time of importation the importer is deemed to have certified that the goods qualify under the JUSFTA and must upon request from the U.S. Custom Border Protection (CBP) provide a written declaration substantiating the claim. The U.S. CBP in all cases may verify and/or deny claims made by importers.

Please be sure to retain the file and information for a period of 5 years as it maybe requested by the CBP for verification purposes.

**However, Jordan Customs (JC) requires a proof of origin for all imported and exported goods.** For exports, a notarized certificate of origin issued by the relevant authority (either the Chamber of Industry for manufactured goods or the Chamber of Commerce for agriculture goods or reexported goods) must be provided. For imports, in cases where a notarized certificate of origin from the U.S. cannot be provided, JC may accept origin that is shown on the "commercial invoice" – noting that for some product the "made in ..." label either on the product and/or packaging may be required.

The JUSFTA does not affect goods manufactured in the **Qualifying Industrial Zone (QIZ)** or for manufactures wishing to benefits from the **U.S. Generalized System of Preferences (GSP)**, where specific RoOs must be satisfied if traders wish to take advantage of any of these schemes.





The American Chamber of Commerce in Jordan

A leading Jordanian Association **The American Chamber of Commerce in Jordan (AmCham-Jordan)** is a non-for-profit member-based organization with over 250 members from top Jordanian companies, and U.S. companies operating in Jordan, AmCham-Jordan has been working for more than 20 years to contribute to Jordan's sustainable economic development through the promotion of Jordan-U.S. trade and investment relations, policy & advocacy, and human resources development.

**AmCham-Jordan** is affiliated with the United States Chamber of Commerce in Washington, D.C. and is a member of the AmCham MENA Regional Council, serving as its Chair from 2018-2021.



Jordan-U.S. **Free Trade Agreement Unit** was established in 2017 with support from the United States Agency for International Development's (USAID), to provide specialized technical advisory services Jordanian and American businesses to better understand and utilize the trade and investment opportunities made available under the JUSFTA and the BIT. The JUSFTA Unit also services as Secretariat to the National Tijara Coalition Jordan's oldest public private dialogue platform.



