



Council of the
European Union

Brussels, 23 April 2018
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ADD 38

FISC 113

OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations
Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Compilation of commitment letters received from jurisdictions

= Jordan



16/11/2017

Ms. Fabrizia Lapecorella
General Secretariat of Council
Chair of the Code of Conduct Group (Business Taxation)
Rue de la Loi / Wetstraat 175 - B -1048
Brussels - Belgium

Dear Ms. Lapecorella;

I refer to your letter dated 23rd of October, 2017 regarding the "forum of transparency of taxes and fair taxation and issues related to the subject (Anti-Base Erosion and Profit Shifting BEPS)" with the set of rules of conduct established by the European Council and member governments of the European Union, and would like to list herein below our official answers to the criterion raised in your letter:

- **Criterion 1.2:**
Jordan commits to become a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes by the end of 2019.
- **Criterion 1.3:**
Jordan commits to ratify and sign the OECD Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) by the end of 2019.
- **Criterion 2.1:**
Jordan sees its tax regime as not harmful. In cooperation with the EU Technical Assistance, Jordan will conduct a study to provide the necessary evidence to the council. This measure will start in January 2018 and produce its results no later than mid of 2018.

Page 1 of 2

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- **Criterion 3:**
Jordan commits to join the Inclusive Framework on BEPS by the end of 2019.

I sincerely hope that, in the future, such important matters are addressed to me directly.

Respectfully,

Minister of Finance
Omar Mathas

A handwritten signature in blue ink, appearing to read 'Omar Mathas'.



30/11/2017

Ms. Fabrizia Lapecorella
General Secretariat of Council
Chair of the Code of Conduct Group (Business Taxation)
Rue de la Loi / Wetstraat 175 - 1048
Brussels – Belgium

Dear Ms. Lapecorella:

I refer to your letter of October 23rd 2017, my letter of November 16th 2017 “and the commitments expressed in it”, the Council Secretariat email of November 23rd 2017, my email of November 29th 2017 and the Council Secretariat email of November 29th 2017 and hereby confirm that Jordan commits to amend or abolish at the latest by December 31st 2018 the regime mentioned under **criteria 2.1** in your letter of October 23rd 2017 in order to comply with the criteria applied by the Forum on Harmful Tax Practices and the Code of Conduct Group.

If you need any further clarification or information, please do not hesitate to contact me.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Omar Malhas', written over a light blue background.

Minister of Finance
Omar Malhas

JORDAN

The following exchange with the Minister of Finance of Jordan represents the position of the jurisdiction concerned, in response to the queries raised by the Code of Conduct Group.

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From: Minister of Finance

Sent: Wednesday, November 29, 2017 5:01 PM

Subject: RE: (Jordan) Letter by the COCG to the Authorities concerned

Dear Sirs:

Thank you very much for the below message.

Further to the conference call of yesterday with H.E. Mr. Muhannad Shehadeh (minister of state for investment affairs - Jordan) , I would like to confirm that Jordan reiterates its commitment to abide by the international standards and best practices.

Moreover, Jordan commits to amend or abolish the regime at stake referenced below by the end of 2018.

We look forward to work with you to come to terms with the tax regime

Regards

Omar Z Malhas
Minister of Finance
Amman
Jordan

From: [Secretariat.COOG-jurisdictions@consilium.europa.eu]
Sent: Thursday, November 23, 2017 6:23 PM
To: Minister of Finance
Subject: RE: (Jordan) Letter by the COCG to the Authorities concerned

Dear Sir, Dear Colleagues,

The team of the Chair of the Code of Conduct Group wishes to convey the following message:

Dear Sir,

Thank you very much for your email in which you request additional clarification as to the concerns raised by the EU experts on the "Free / Development Zone" regime.

As we explained in our letters dated 15 June 2017 and 23 October 2017, Jordan is a jurisdiction of relevance for the Forum for Harmful Tax Practices (FHTP) and we have taken stock of the assessment conducted by the FHTP for the purpose of evaluating your "Free / Development Zone" regime against our criterion 2.1. In fact the FHTP has considered the regime as potentially harmful. In particular, it was outlined that only the provision of services to non-residents could benefit from the preferential tax regime whereas the provision of services to residents could not benefit from tax exemptions/reductions. In that sense, the "Free / Development Zones" regime raised the concern of the FHTP as being ring-fenced.

In the absence of any new information submitted on your side to provide evidence that this regime is not harmful, the experts designated to assess the compliance of Jordan with the criteria agreed by the Council of the EU could only rely on the analysis of the FHTP on the ring-fencing aspect of your regime.

We hope this clarifies the concerns raised on this particular regime and will allow you to provide either new information or a commitment to amend or abolish the regime at stake before the 27 November at the latest so that the EU Ministers can take this information into account for their final decision.
