

We, Abdullah Al Thani Bin Al Hussein, King of the Hashemite Kingdom of Jordan, according to article No. (31) of the Constitution and based upon the resolution of Council of Ministers dated on 17.01.2015, we hereby order enacting the following regulation:

By-law No. (13) of 2015

By-law of Provisions and Conditions of Exempting Systems of Renewable Energy Sources and its Devices and Equipments and also the Energy Efficiency equipments from the Customs Fees and Subjecting them to General Sales Tax in Percentage or Amount of (Zero) according to the Paragraph (C) of Article (11) of the Renewable Energy and Energy Efficiency Law No. (13) of 2012.

Article (1)

This regulation shall be called (Regulation of Provisions and Conditions of Exempting Systems of Renewable Energy Sources and its Devices and Equipments and also the Energy Efficiency Equipments from the Customs Fees and Subjecting them to General Sales Tax in Percentage or in Amount of (Zero) and this regulation shall be applicable as of 16.11.2014.

Article (2)

- a. The following words, wherever stipulated herein, shall have the meanings allocated to each, unless the contexts requires otherwise:

Law : Law of Renewable Energy and Energy Efficiency

Commodity : Any product whether it is medical, agricultural, animal, industrial or Electric Energy.

Service : Any job or task performed by an individual in exchange for compensation, including provision of benefit to third parties and such work doesn't include provision of commodity.

Committee : Committee of Exemptions from the Customs Fees and Subjection to General Sales Tax in percentage or amount of (zero), pursuant to provisions of this regulation.

- b. The definitions, wherever stipulated herein, shall be approved.

Article (3)

- a. The Ministry shall form a Committee called (Committee of Exemptions from the Customs Fees and Subjection to General Sales Tax in percentage or amount of (zero)) under the chairmanship of the Secretary General and in membership of the following:
1. Two competent persons at the Ministry to be nominated by the Minister.

2. A Representative for the Ministry of Environment to be nominated by its Minister.
 3. A Representative for the Ministry of Industry and Trade to be nominated by its Minister.
 4. A Representative for the Customs Department to be nominated by its Director General.
 5. A Representative for the Income and Sales Tax Department to be nominated by its Director General.
- b. The Committee's Chairman shall nominate one of its members as his representative to replace him in case of absence.
 - c. The Secretary General shall nominate from the employees of the Ministry a rapporteur for the committee, who shall undertake handing over the presented applications according to provisions of this regulation, prepare the invitations for the committee's meetings, keep the records and registers thereof, record the session's minutes and following up the execution of resolutions thereof.
 - d. The committee shall meet, whenever needed, by invitation from the chairman or his representative (in case of the chairman's absence) and the meeting shall be legal in the presence of no less than the majority of members thereof, provided that they shall include the chairman or his representative. The resolutions of the committee shall be executed by majority of votes of members thereof and in case of a tie in votes, the side of which the chairman has voted for shall be preferred.
 - e. The committee shall be entitled to seek assistance of experts and technical people to be guided by their opinions on the issues presented at the meeting without having the right to participate in the voting.

Article (4)

The committee shall undertake the following tasks and shall present its recommendations regarding those tasks to the Minister for approval:

- a. Examine the applications of exempting the systems of renewable energy sources and the devices and equipments thereof, rationalizing the energy consumption and its production inputs, including the customs fees and subjecting to general sales tax in percentage or amount of (zero) according to provisions of this regulation.
- b. Examine the applications of exempting the commodities and services that are deemed inputs for producing and manufacturing the systems of renewable energy sources and the devices and equipments thereof, rationalizing the energy consumption and its production inputs, including the customs fees and subjecting to general sales tax in percentage or amount of (zero) according to provisions of this regulation.
- c. Any other issues brought to attention by the Minister.

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Article (5):

- a. The exemption applications stipulated in both paragraphs Nos. (a) and (b) of article (4) herein shall be presented on the official form prepared for this purpose and shall be handed over to the Committee's rapporteur.
- b. The Secretary General shall refer the applications stipulated in paragraph (a) of this article to the committee for studying and presenting the recommendations to the Minister to issue the suitable resolution within a period of not more than thirty days.
- c. The Minister's resolution shall be appealable before the Administrative Court within thirty days as of date of declaration.

Article (6):

- a. The renewable energy sources and its devices and equipments and also the Energy Efficiency Equipments exempted from the customs fees and subjecting to general sales tax in percentage or amount of (zero), shall be determined according to table No. (1) attached hereto.
- b. The commodities and services locally manufactured or imported, which are deemed as inputs for producing and manufacturing renewable energy sources and its devices and equipments and also the Energy Efficiency Equipments from the customs fees and subjecting to general sales tax in percentage or amount of (zero), shall be determined according to table No. (2) attached hereto.
- c. Based upon recommendation of the Committee, the Minister shall be entitled to amend both tables referred thereto in both paragraphs Nos. (a) and (b) of this article whether by deletion or addition, provided that this shall be promulgated in the Official Gazette.

Article (7)

For purposes of this regulation, selling any commodity or service mentioned in table (2) attached hereto shall be subjected to the general sales tax in percentage or amount of (zero), if the sale thereof is accompanied with or related to a commodity or service not mentioned in the table.

Article (8)

For purposes of determining the commodities' names, the tables of tariff and the applicable explanations thereof shall be approved according to provisions of the Customs Law. However, the international classifications issued by the UN Secretary General shall be approved regarding the services' names.

Article (9)

- a. The following conditions must apply to exempt renewable energy sources and its devices and equipments and also the Energy Efficiency Equipments from the

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customs fees and subjecting to general sales tax in percentage or amount of (zero):

1. They shall be brand new and unused.
 2. They shall hold the highest classification for efficiency of energy consumption according to the energy label issued by the Jordanian Standards and Metrology Organization or any reference authority approved by it.
 3. They shall achieve saving not less than (20%) of the ordinary consumption percentage of similar conventional devices and systems that don't rationalize the energy, according to a certificate issued by a local or foreign competent examination laboratory approved by the Jordanian Standards and Metrology Organization.
- b. The Committee may become satisfied with both conditions stipulated in clauses Nos. (1) and (3) of paragraph (a) of this article in case of the unavailability of the classification stipulated in clause (2) of the same paragraph.

Article (10)

The commodities imported or locally manufactured, which are exempted from the customs fees and subjected to general sales tax in percentage or amount of (zero) according to this regulation, shall remain exempted from the customs fees and subject to the general sales tax in percentage or amount of (zero) in case of selling the commodity from one person to another, provided that they shall be used for the purpose for which they have been exempted and subjected.

Article (11)

Electric energy generated from renewable energy sources shall be exempted from the customs fees and subjected to the general sales tax in percentage or amount of (zero) regardless of the amount of the produced electric energy.

Article (12)

Provisions of this regulation shall be applicable to the measuring devices of the renewable energy sources and (devices) rationalization of the energy consumption, and any spare parts and maintenance needed for these devices.

Article (13)

The devices of renewable energy sources and equipments and the Energy Efficiency equipments that are locally manufactured for exporting purposes are not subject to the provision of this by-law

Article (14)

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The provisions and conditions stipulated in the Customs Law and the Law of General Sales Tax shall be applicable to each commodity that has no specific stipulation herein.

Article (15)

For purposes of implementing the provisions of this regulation, the Jordanian Standard Specifications and Technical Rules issued by the Jordanian Standards and Metrology Organization shall be approved for the sources and devices of renewable energy sources and equipments And the Energy Efficiency Equipments

Article (16)

The persons or facilities, whose purchases or imports are exempted from the customs fees and subjected to the General Sales Tax in percentage or amount of (zero) pursuant to provisions of this regulation shall regulate records and accounting entries and prepare financial statements according to the international accounting standards for following up the entries of production and manufacturing.

Article (17)

The person, who has disposed of any of the commodities exempted from the customs fees and subjected to the General Sales Tax in percentage or amount of (zero) pursuant to provisions of this regulation or used those commodities for other than the purpose for which they have been exempted, shall pay the customs fees, the sales tax and any legal fines imposed on them according to the value of the commodity, percentage of the customs fees and category of the tax on the date of disposal or use according to provisions of the Customs Laws and the Law of General Sales Tax.

Article (18)

The persons and facilities that manufacture the systems of renewable energy sources and its devices and equipments and energy efficiency equipments shall facilitate the task of the employees of the Income and Sales Tax Department and the Customs Department and provide the data and information necessary for making sure of using production and manufacturing inputs exempted from the customs fees and subjected to the General Sales Tax in percentage or amount of (zero) for purposes, for which they have been exempted.

Article (19)

The by-law of systems of renewable energy sources and its devices and equipments and the energy efficiency equipments No. (10) of 2013 shall be cancelled, provided that the instructions issued pursuant to the same shall remain valid, until they are cancelled or superseded by other instructions according to provisions thereof.

Article (20)

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The Minister shall issue the instructions necessary for executing provisions of this regulation.

17.01.2015

Abdullah Al Thani Bin Al Hussein

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| <u>Minister of Foreign Affairs and Expatriates Affairs</u> Nasser Juda | <u>Minister of Education</u> Dr. Mohamed Zoneibat | <u>Minister of Higher Education and Scientific Research</u> Dr. Amin Mahmud | <u>Prime Minister and Defense Minister</u> Dr. Abdullah Al Nessor |
| <u>Minister of Agriculture</u> Dr. Akef Al Zaabi | <u>Minister of Water & Irrigation</u> Dr. Hazem Al Nasser | <u>Minister of Industry and Trade and Supply</u> Dr. hatten Hafez Al Halwani | <u>Minister of Interior</u> Hussein Hazaa Al Majali |
| <u>Minister of Public Sector Development</u> Dr. Khalif Al Khawalda | <u>Minister of Finance</u> Dr. Omayya Al Toqan | <u>Minister of Environment</u> Dr. Taher Al- Shokheisher | <u>Minister of Municipal Affairs</u> Eng. Waleed Al Masri |
| <u>Minister for Prime Ministry Affairs</u> Dr. Ahmed Zyadat | <u>Minister of Labour and Minister of Tourism and Antiquities</u> Dr. Nezal Mardi Al Qatamen | <u>Minister of Social Development</u> Reem Mamdouh Abu Hassan | <u>Minister of Media Affairs</u> Dr. Mohammed Hussein Al Momi |
| <u>Minister of Planning and International Cooperation</u> Dr. Ibrahim Seif | <u>Minister of Justice</u> Dr. Bassam Samer Al Telhewani | <u>Minister of Public Works and Housing</u> Eng. Sami Halsal | <u>Minister of Energy and Mineral Resources</u> Dr. Mohammed Hamed |
| <u>Minister of Awqaf and Islamic Affairs</u> Dr. Hayel Abdul-Hafeez Dawoud | <u>Minister of State</u> Dr. Salama Al Noeimat | <u>Minister of Health</u> Dr. Ali Nahla Hoyasat | <u>Minister of Communications and Information Technology</u> Dr. Azam Talal Tawfeq Soleit |
| <u>Transport Minister</u> Dr. Lina Shobeib | <u>Minister of Culture</u> Dr. Lana Mohammed Mamkegh | <u>Minister for Political and Parliamentary Affairs</u> Dr. Khalid Al Kelalda | |

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Table No. (1)

Systems of renewable energy sources and its devices and equipments and also the Energy Efficiency Equipments exempt from the customs fees and subjecting to general sales tax in percentage or amount of (zero),

| No. | System name / device |
|-----|---|
| 1 | Systems and devices of solar power. |
| | Systems of water heating using solar power with all its contents |
| | Devices for measuring the intensity of solar radiation in all their kinds. |
| | Devices for measuring the number of hours of solar brightness. |
| | Photo-voltaic solar cell systems for generating electric power using solar power. |
| | Photo-voltaic solar cell systems for pumping water with its all components. |
| | Centralized thermal solar power systems in all their kinds and components. |
| | Power storing devices or lead saving (batteries) for solar power. |
| | Electric generating devices for solar power systems. |
| | Electric transformer devices for photo-voltaic solar cell systems. |
| 2 | Systems and devices of wind power |
| | System of generating electric power using wind power with all its components. |
| | Devices for measuring wind characteristics and the related climate information. |
| | Devices for measuring wind speed and direction. |
| | Hydrolytic control devices for systems of generating electric power from wind power |
| | Systems of monitoring and electronic control. |
| 3 | Bioenergy systems |
| | Biogas Systems for generating electric power with all their components. |
| | Systems of direct burning of waste to generate electric power with all their components. |
| 4 | Systems of geothermal energy |
| | Systems of generating geothermal energy (earth core temperature) for generating electric power and heating water for purposes of heating with all their components. |
| 5 | Systems of devices of power efficiency and rationalization |
| | Systems of power efficiency and rationalization of different kinds with all their components. |
| | Devices of improving the power performance factor. |
| | Energy-saving lamps in all their kinds such as sodium lamps, fluorescent lamps ... etc. |
| | Lighting control systems with all their components . |
| | Systems for controlling the lighting intensity (dimmers) |
| | Lighting units consisting of light-emitting electronic fuses. |
| | Centrifugal pumps. |

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| Industrial-use heat sensors. |
| Devices for controlling temperature differences. |
| Heating and cooling control systems with all their components . |
| Energy-saving air filter devices. |
| Air leakage detecting devices. |
| Lighting units designed for energy-saving lamps. |
| Systems and devices of smart connecting networks. |

Table No. (2)

The commodities and services locally manufactured or imported, which are deemed as inputs for producing and manufacturing renewable energy sources and its devices and equipments and also the Energy Efficiency Equipments exempt from the customs fees and subjecting to general sales tax in percentage or amount of (zero),

| No. | System name / device |
|-----|---|
| 1 | <p>Inputs of water heating systems using solar power.</p> <ul style="list-style-type: none"> - Solar panels in all their kinds. - Insulated water tanks with heat exchangers. - Selective transparent collectors. - Iron sheets. - Glass, copper and galvanized iron pipes and tubes. - Valves in all their kinds. - Other production inputs of systems of heating water by solar power. |
| 2 | <p>Inputs of systems generating electric power using the wind power:</p> <ul style="list-style-type: none"> - Wind Towers. - Turbines / blades. - Gearboxes. - Electric generators. - Electric cables. - Control cables. - Other production inputs for systems generating electricity using wind power. |
| 3 | <p>Inputs of systems generating electric power using the solar power:</p> <ul style="list-style-type: none"> - Centralized solar collectors in all their kinds. - Solar (photo-voltaic) cell boards in all their kinds. - Reflective mirrors. - Thermal conductors. - Thermal receivers. - Electrostatic converters. - Control cables. - Sun tracking devices. - Other production inputs of electricity generating devices using solar power. |
| 4 | <p>Inputs of power consumption rationalization systems:</p> <ul style="list-style-type: none"> - Thermal insulating materials for the systems and buildings such as rockwool, polyester, fiberglass and others. - Heat valves and sensors. - Thermally insulated pipes. - Other inputs of producing the systems, equipment and devices of power consumption efficiency and rationalization. |

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| 5 | Services <ul style="list-style-type: none">- Energy audit services.- Services of design and consultations for systems of renewable energy sources and devices and equipments thereof and energy consumption rationalization. |
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