

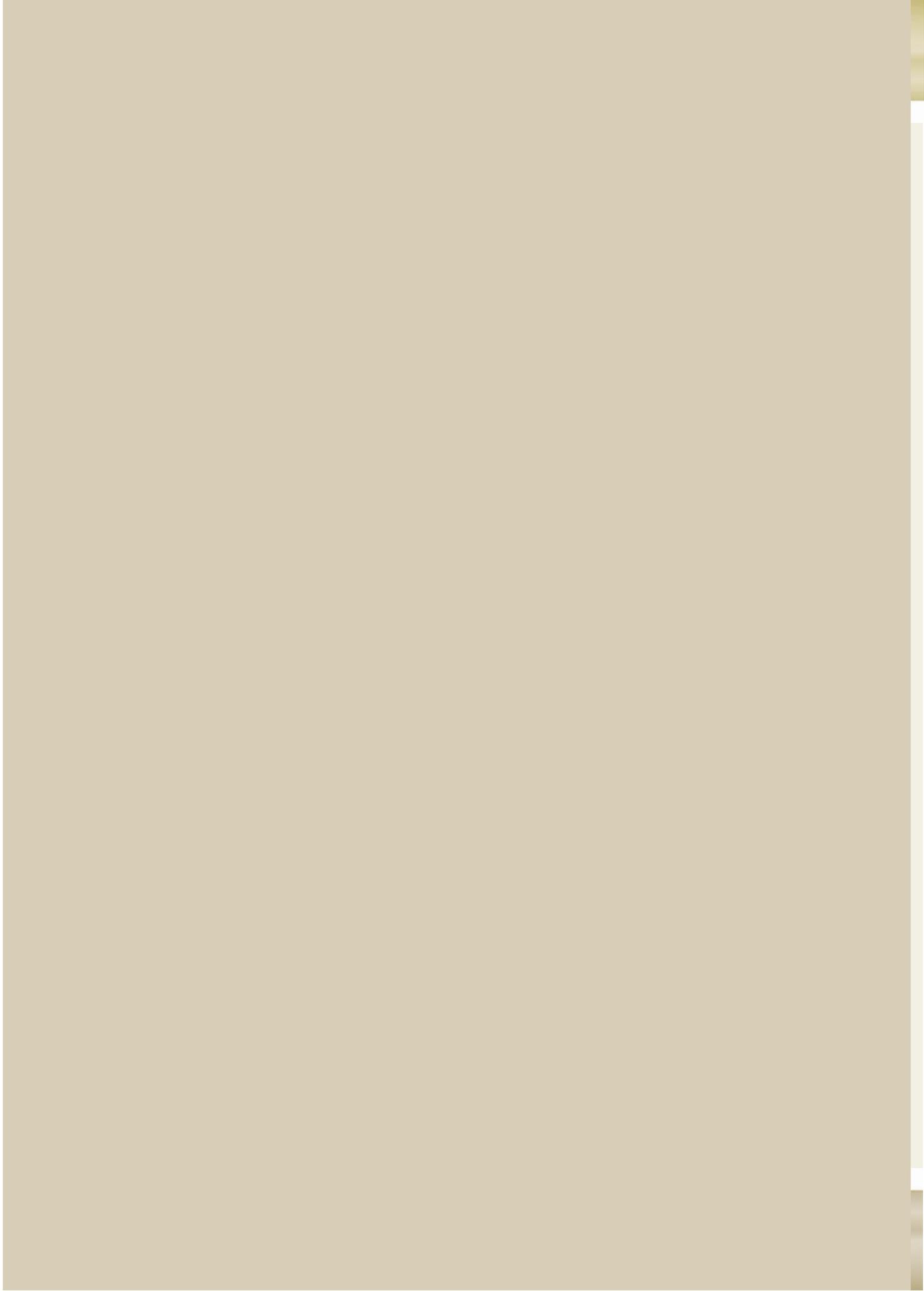


الجمهورية الأردنية

Jordan Customs

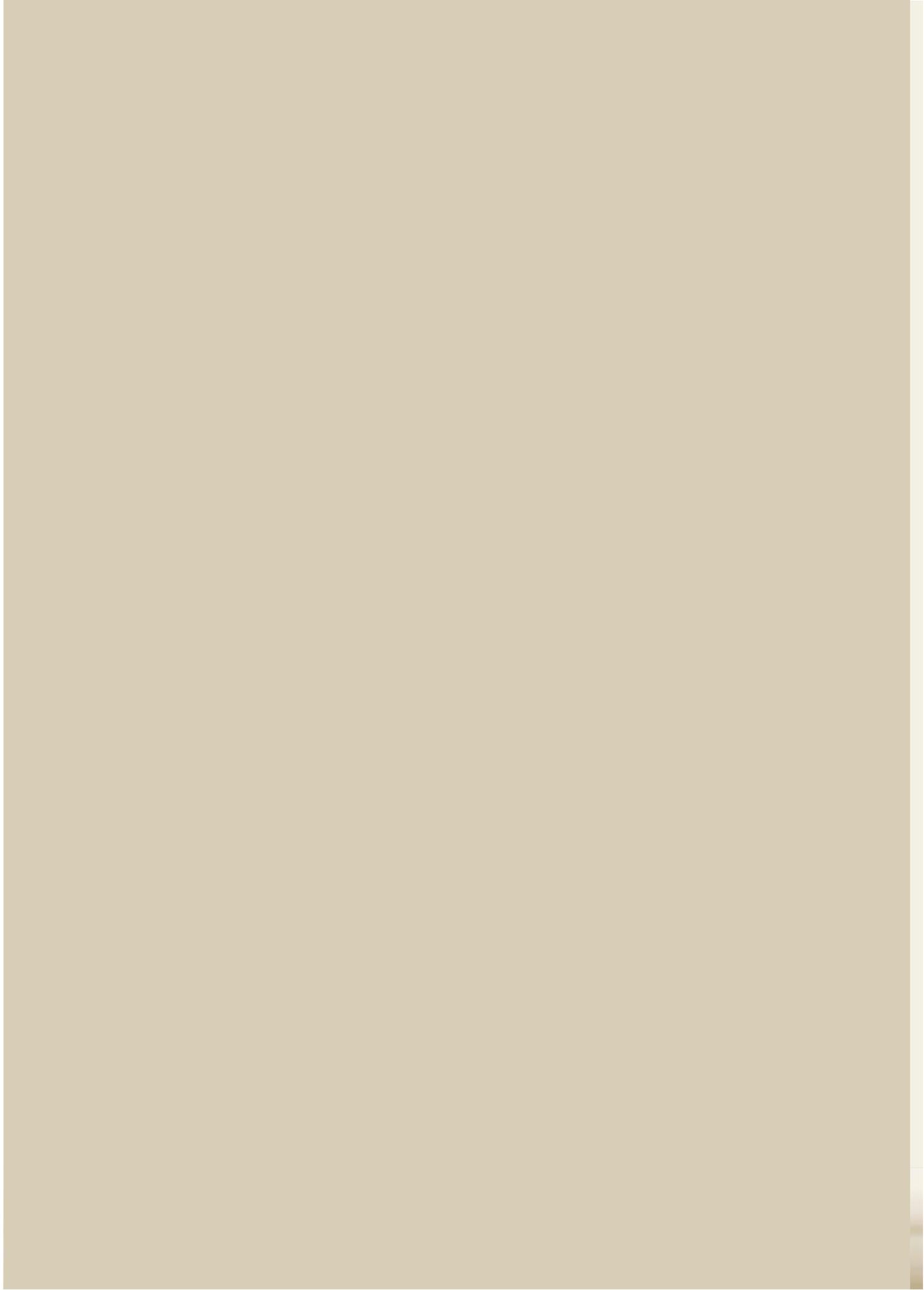
Annual Report 2009

Prepared By Planning & Organization Directorate





His Majesty King Abdullah the 2nd Bin Al Hussein





His Royal Highness Crown Prince AlHussein Bin Abdullah

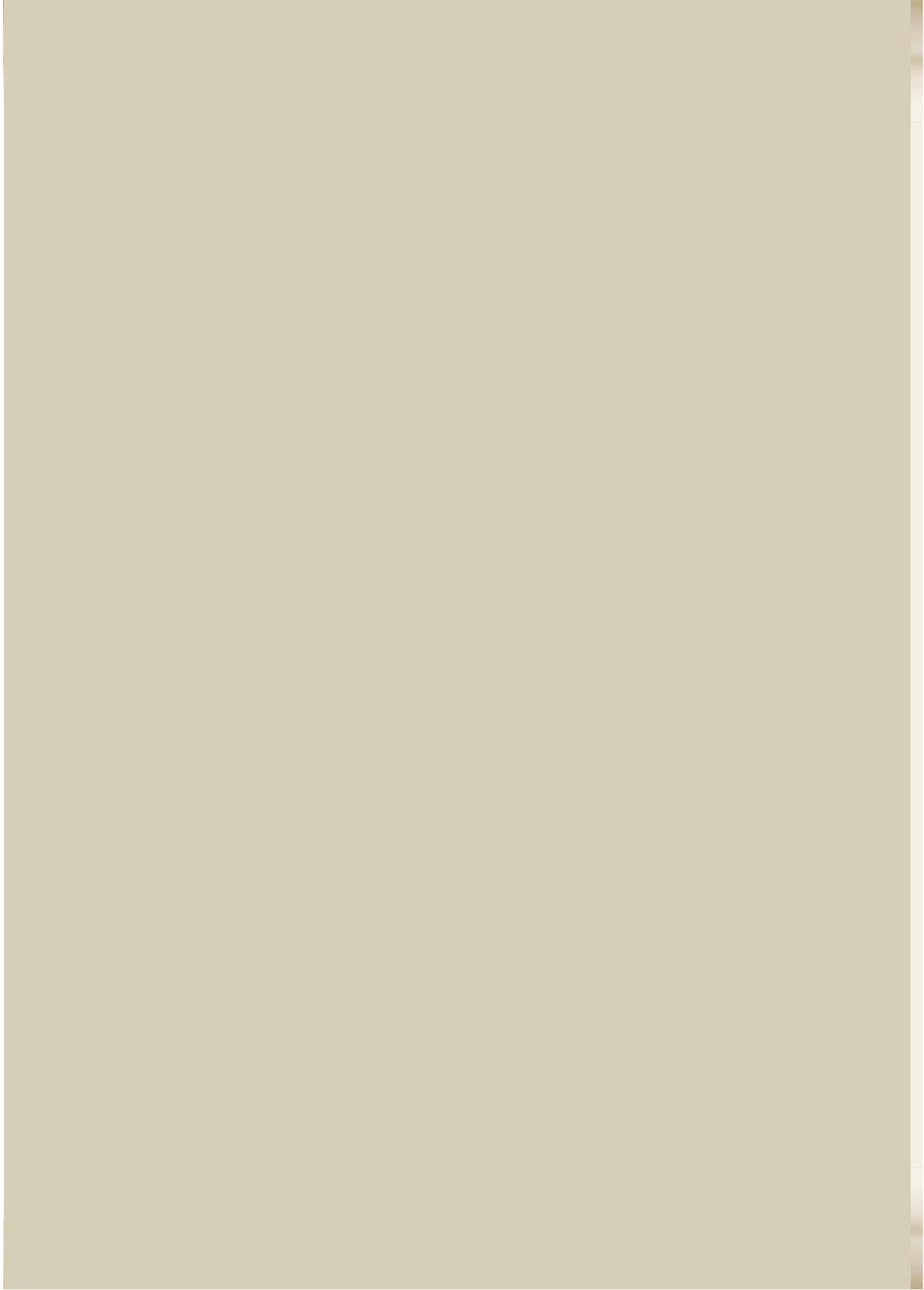




Table of Contents

| | |
|---|----|
| Foreword of his excellency the Director General | 9 |
| Chapter 1 | |
| Organization of Jordan Customs. | 11 |
| Chapter 2 | |
| Institutional capacities in human resource development and training. | 21 |
| Chapter 3 | |
| Achievements in the field of Customs Revenues. | 31 |
| Chapter 4 | |
| Achievements in the field of strategic planning, follow- up and evaluation. | 41 |
| Chapter 5 | |
| Achievements in the field of intellectual property protection. | 49 |
| Chapter 6 | |
| Achievements in the field of Combating Smuggling. | 55 |
| Chapter 7 | |
| Achievements in the field of Information and communication. | 61 |
| Chapter 8 | |
| Various achievements and activities. | 73 |
| Chapter 9 | |
| Future Aspirations. | 81 |



Foreword of His Excellency the Director General



Since the thresholds of the 90s, the Customs Department has gone through an actual phase to facilitate and simplify its procedures and implement the best international practices in the field of administrative development, strategic planning, quality assurance and technical transformation by using up-to-date computer systems and software, human development and expanding its distinguished services to reach all the stakeholders.

In 2009, the department launched its slogan "A pioneering Customs under the Hashemite Leadership; a benchmark that the customs department stands to realize pioneering programs through continual renovation of computerized systems and programs and expanding the projects executed by the department to cope up with all international developments and innovations in this field.

Such computerized projects and programs were distinguished due to the integral combination they played in implementing and executing customs procedures. In addition to highly qualified human staff training, all of this accompanied by a concrete culture to build institutional abilities that contribute in achieving the strategic objectives of the department as presented in its strategic plan for 2008 - 2010.

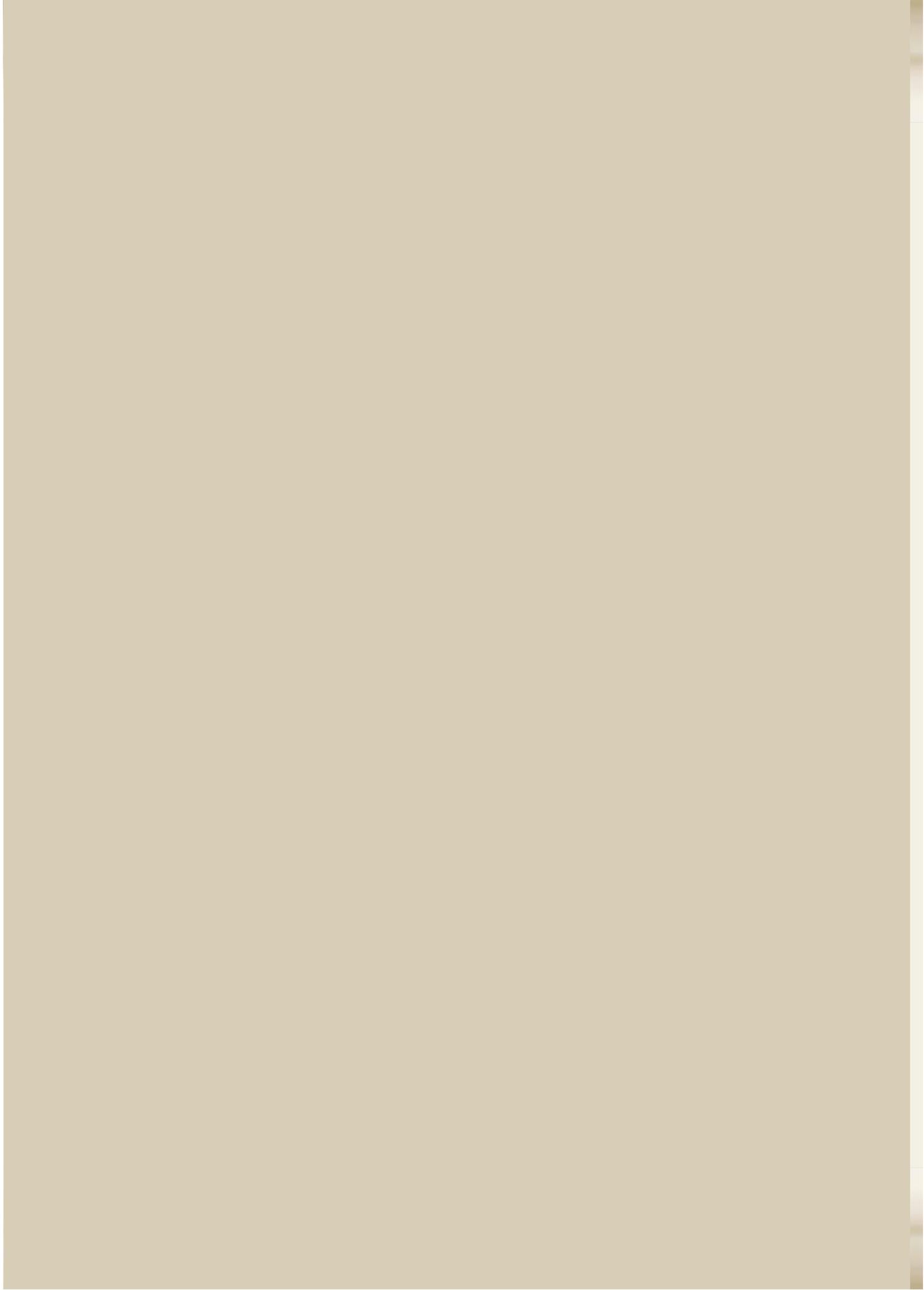
The department proudly collaborates with other security institutions in protecting the borders of the kingdom from smuggling, protecting intellectual propriety rights and confronting commercial fraud as well as attracting and supporting investment enterprises by implementing the highest levels and standards of security and, above all, facilitating international trade procedures, a matter which positively influenced and supported our national economy.

In the context of its continual interaction with the society, collaboration with public bodies and institutions and its endless efforts to serve the country and Jordanian citizens, the Customs Department has taken part in various social and environmental activities that the Jordanian citizens will benefit from.

The department is also looking for more expansions and improvements to go forward in achieving its ambitious projects stemming from its vision to be one of the world's pioneers in providing high customs services. It was decided to call 2010 the year of technological development and procedures simplification.

I feel very fortunate to submit the annual report of 2009; a report that is full of the distinguished achievements of our Department. I ask the sublime God to keep this country safe and secure under the leadership of his Majesty King Abdullah II.

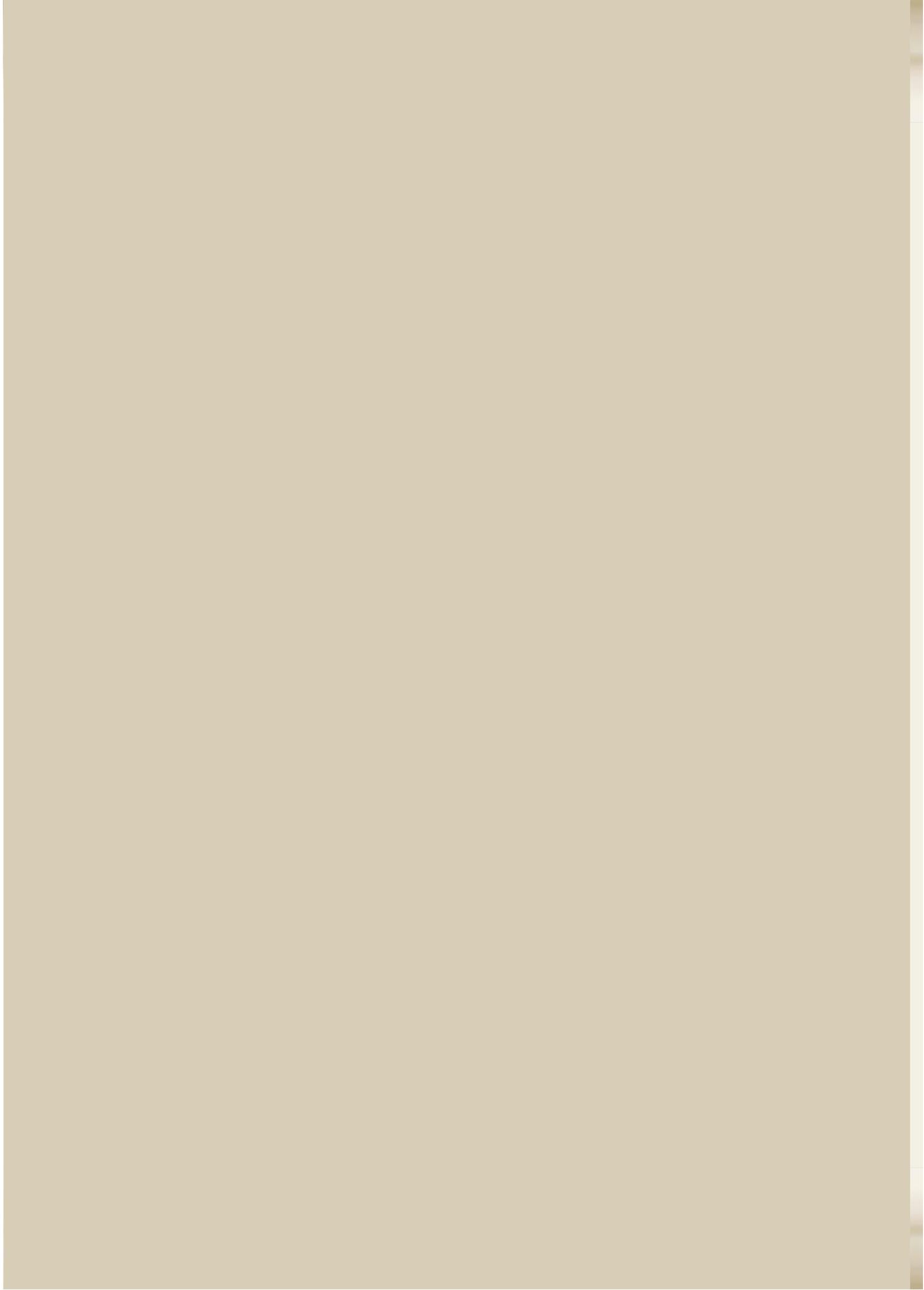
**Customs Major General
Ghalib Qasem Al-Sarayeh
Director General**





Chapter 1

Organization of Jordan Customs





The Establishment and the 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 governmental agency to control the movement of goods and commodities on both imported and transit goods. 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 now is headed by a Director General related directly to the Finance Minister. Nineteen Director Generals have alternated the post since the establishment of the Department.

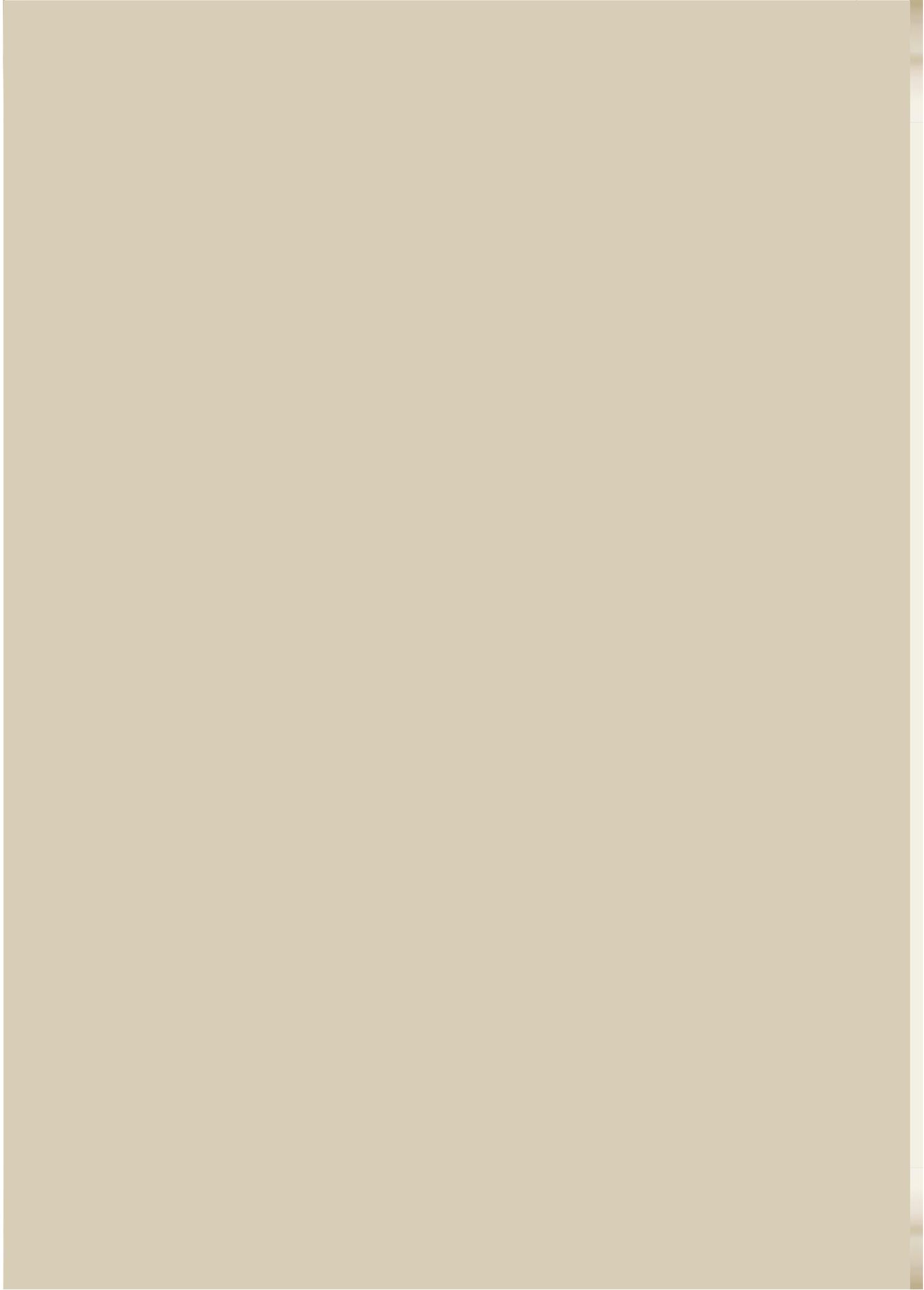
As for the legislation, the first law that regulated the Customs work was issued in 1926 and was known as the Customs and Excise Law. It was amended on several occasions to cope up with progress at both the national and the international levels. In 1962, the Customs and Excise Law was substituted by Law (1), which went into effect until it was replaced by the Temporary Customs Law (16) 1983. In order to cope up with the developments that the Kingdom was going through, a new Customs Law was issued to replace the Temporary Law, and it was acknowledged in accordance with the constitutional principles in August 1998.

Since its establishment, a number of customs houses have been established. This number has increased along with the increase in trade movement and the Department's desire to deliver high quality service. Now the number of major and minor customs houses mounts to 32. These customs houses can be classified into three main categories (Clearance Centers, Border Centers, and Post Centers) in addition to two customs laboratories in Amman and Aqaba.

During its long historical legacy, Jordan Customs has been coping up with many economic phases and developments in the Kingdom in all social, technological and economic fields. This fact makes Jordan Customs an important part of an interconnected system that works in accordance with the state's public policy in order to achieve all of the Royal initiatives seeking to promote and support the homeland.

Jordan Customs' functions have expanded to contribute effectively in supporting the national economy and promoting investment, facilitating trade movement, fighting smuggling, protecting the environment and the local society from dangerous materials and monitoring the movement of goods, passengers and means of transportation passing through the kingdom while adopting the best modern techniques in the customs work.

As a result of this approach, Jordan Customs is now among the most worldwide developed Customs departments in providing the best customs services.





Names of the successive Director Generals of Jordan Customs

| No | Name | Job title | Period |
|-----|------------------------------|--|----------------------------|
| 1. | Abdussalam Kamal. | Director of Excise, Production and General Statistics. | 1/10/1922 until 6/1/1926. |
| 2. | H.A. Turner. | D.G. Customs and Excise. | |
| 3. | B.Livingstone. | D.G. Customs, Industry and Commerce. | |
| 4. | Fawaz Al-Rossan.. | D.G. 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 11/6/1962. |
| 7. | Saed Al-Dora. | Under Secretary of State for Finance/Customs. | 1/7/1962 until 6/6/1965. |
| 8. | Ali Al-Hassan. | Under Secretary of State for Commerce/Customs. | 6/6/1965 until 1/2/1971. |
| 9. | Mamdouh Al-Saraira. | Under Secretary of State for Commerce/Customs. | 1/2/1971 until 1/2/1975. |
| 10. | Yassin Alkayed. | Under Secretary of State for Commerce/Customs. | 1/2/1975 until 9/5/1982. |
| 11. | Adel Al-Qoda. | D.G. Customs. | 9/5/1982 until 9/6/1990. |
| 12. | Dr. Mahdi Al-Farhan. | D.G. Customs. | 9/6/1990 until 1/11/1991. |
| 13. | Mohammad Ahmad Al-Jamal. | D.G. Customs. | 1/11/1991 until 16/5/1994. |
| 14. | Nazmi Al-Abdullah. | D.G. Customs. | 16/5/1994 until 7/11/1999 |
| 15. | Dr. Khalid Al-Wazani. | D.G. Customs. | 7/11/1999 until 9/6/2001. |
| 16. | Mahmoud Qutieshat. | D.G. Customs. | 19/6/2001 until 1-6-2005 |
| 17. | Alaa.A.Batayneh | Director General | 1-6-2005 until 10-5-2007 |
| 18. | Mut'eb Wsaiwes Fahd Al-Zaben | Director General | 11-5-2007 until 21/10/2008 |
| 19 | Ghalib Qasim Alsarayreh | Director General | 22/10/2008- up to date |

Organizational Structure

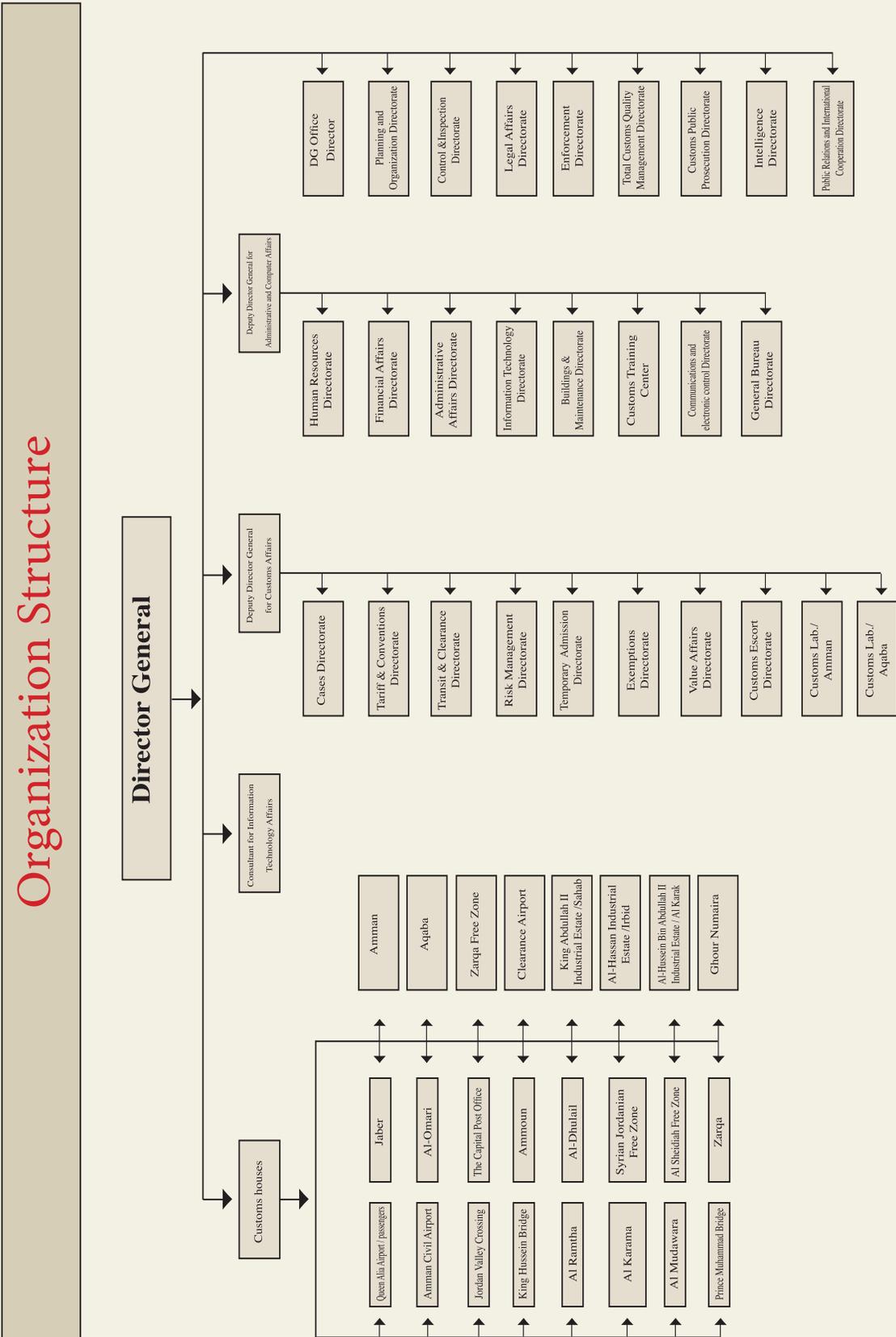
The customs department has been regulated according to the Administrative Regulation System No (43) for the year 2000. The Department is presided over by a Director General related to the Finance Minister. The Director has two deputies; the first is for Customs affairs, while the second is for financial, administrative and computer affairs.

The nature of the customs work and its requirements needed some modifications to this system in accordance with the decisions issued by the Minister and published in the Official Gazette aiming at coping up with international, regional and local developments.

In its striving to develop its own work, facilitate its procedures and in line with the government orientation in restructuring the governmental institutions to serve the interests of work, Jordan customs has completed preparation of a suggested organizational chart. Also, a draft for reforming administrative customs statute No 43 for the year 2000 was prepared because of the following reasons:

- The current nature of Jordan Customs and the expansion of its work.
- Notes mentioned in experts reports in MCC and twinning projects with the Italian Customs and the recommendations of (Bearing Point) consultative co.
- Upgrading the efficiency of direct supervision, close follow up and identifying responsibilities concerning the administrative link of the administrative units of Jordan Customs.
- Establishing a similar organizational charts of both the clearance customhouses and border customhouses.
- The best exploitation of human resources and distributing them in accordance with organizational charts that upgrade the level of its performance.
- Conducting several amendments on Jordan customs administrative chart since the issuance of the administrative organizational statute No 43 for the year 2000 till the end of 2009.

Second:



The following organizational chart clarifies the administrative connection of the main customs directorates and customs houses as the following:

First: The following directorates are related to the Director General;

a - Directorates

- Planning and Organization Directorate.
- Legal Affairs Directorate.
- Inspection and Control Directorate.
- Director General Office.
- Public Affairs and International Cooperation Directorate.
- Enforcement Directorate.
- Comprehensive Customs Quality Management Directorate.
- Intelligence.
- Customs Public Prosecution.

b- Main Customs houses:

Customs houses are divided into two major categories: main Centers, which are directly related to the Director General, and sub-Centers related to the director of the main Center within the geographical area to which the center belongs. Those are categorized function-wise as follows:

- **Clearance Customs houses :**
Those have the task of clearing all sorts of import and export goods as well as cases of pending duties. They include the following Centers
- Amman Customhouse.
- Aqaba Customhouse, with the following Subordinate Customhouses: Wadi Al-Yutm Customhouse, Wadi Araba Customhouse, Al-Quaira Free Zone Customhouse, Passenger Steamers Customhouse.
- Queen Alia International Airport/Clearance.
- King Abdullah the Second Industrial Estate /Sahab, and related to this Centre are the following bonded banks: (Arab Bank, Itihad Bank, Housing Bank, Islamic Bank and Investment Bank), and Al-Raqeem Customhouse.
- Al-Hassan Industrial Estate Customhouse /Irbid, and related to this center are the following Customhouses: Irbid Post office Customhouse, Jerash Post Office Customhouse, and Ajloun Post Office Customhouse.
- Al-Hussein Bin Abdullah Industrial Estate Customhouse / Karak, and related to this center is Al-Karak Post Office Customhouse.
- Ammoun Customs house.
- AL-Dhulail Customhouse, and related to it is Qa'a Khana Customhouse
- Al-Zarqa Free Zone Customhouse and related to this center are Al-Zarqa Customhouse and Al-Zarqa Post Office Customhouse
- Syrian Jordanian Free Zone Customhouse.
- Al-Shedeiyya Free Zone Customhouse.
- Cement Factory Customhouse/ Al-Fuhais .
- South Cement Factory Customhouse/ Alrashadyeh.



- **Border Customhouses and Crossing Points :**

Those have the task of supervising and controlling the flow of goods and passengers in and out of the Kingdom , checking the compliance of these goods with the country's laws and regulations, and levying duties should any be determined. These Customhouses are:

- Jaber Customhouse (Mafrq Customs house and Mafrq post customhouse are related to it)
- Ramtha Customhouse.
- Al-Omari Customhouse.
- Queen Alia International Airport Customhouse/Passengers.
- Amman Civil Airport Customhouse.
- Al-Karama, and related to it is Free Zone Customhouse/Al-Karama.
- Al-Modawara Customhouse
- Jordan Valley Crossing point Customhouse (Sheikh Hussein Bridge)
- Prince Mohammad Bridge Customhouse.
- King Hussein Bridge Customhouse.

- **Postal Customhouses :**

Amongst them is The Capital Post Office Customhouse.

Second: The following Directorates are related to the Deputy Director General for Customs Affairs:

- Cases Directorate.
- Tariff and Conventions Directorate.
- Transit and Clearance Directorate.
- Temporary Admission Directorate.
- Exemptions Directorate.
- Value Affairs Directorate.
- Customs Escort Directorate.
- Customs Laboratory / Amman.
- Customs Laboratory / Aqaba.

Third: The following Directorates are related to the Deputy Director General for Financial, Administrative and Computer Affairs:

- Human Resources Directorate.
- Administrative Affairs Directorate.
- Financial Affairs Directorate.
- Information Technology Directorate.
- Communications and Electronic Control Directorate.
- Customs Training Center.
- Buildings and Maintenance.
- General Bureau Directorate.

3- Planning and Coordination Committee:

Planning and Coordination Committee is one of the most important committees in Jordan Customs. It is a permanent committee that works on studying Jordan Customs performance , achievements and effective ways to promote Customs work in order to achieve Customs' objectives. It also develops plans and programs of Jordan Customs and follows up the implementation of these plans and programs, besides studying and presenting recommendations on draft laws, regulations and instructions relating to the work of Jordan Customs.

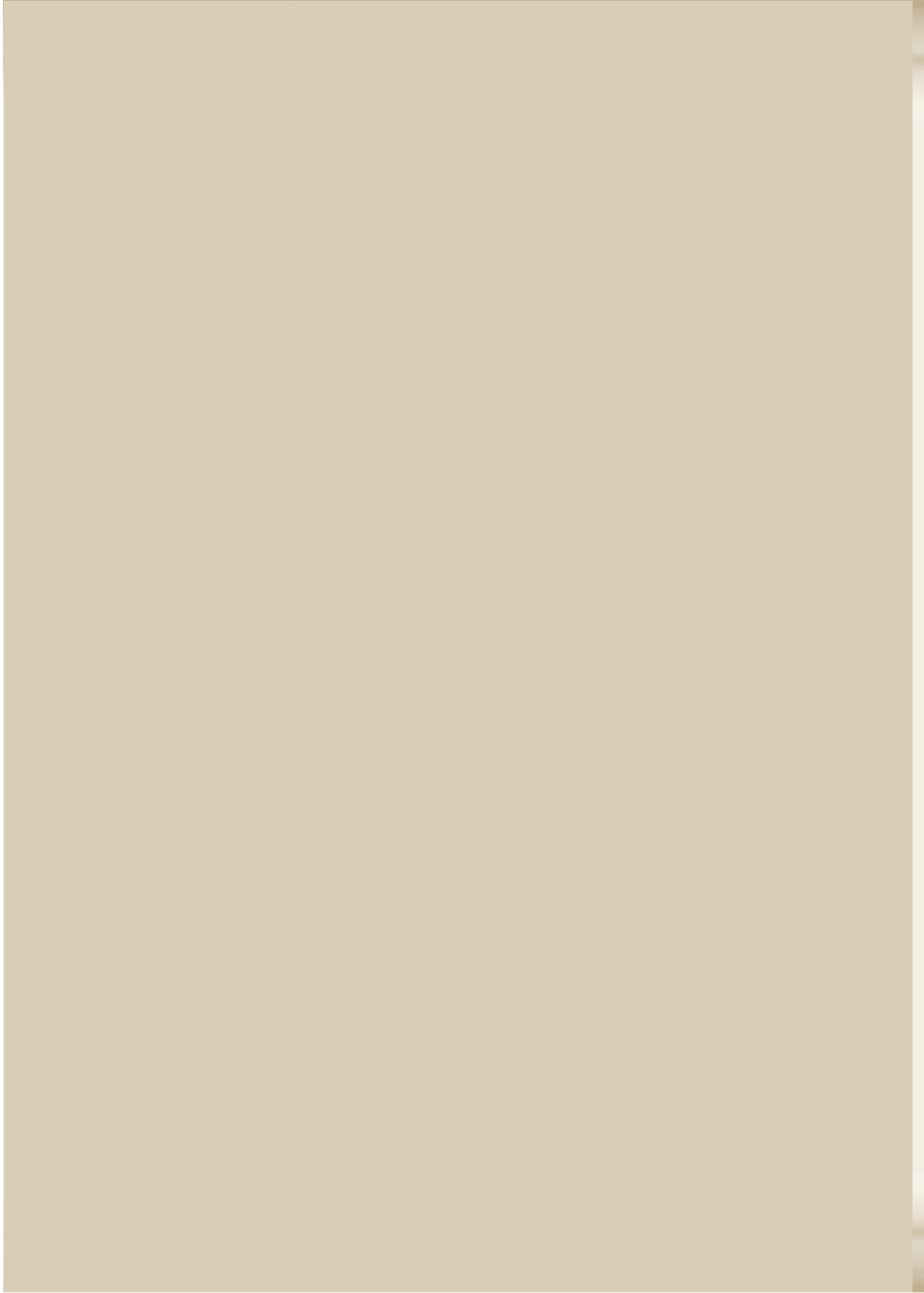
The Planning and Coordination Committee was formed in accordance with the Customs Administrative Regulation System No (43) for the year 2000, Article 10/a of the law clarifies the powers of his Excellency minister of finance on the basis of a recommendation by the Director General based on a recommendation of the committee in terms of :

- Establishing, merging or abolishing any directorate or unit of Jordan Customs.
- Identifying management levels of any customs house or unit in a manner not inconsistent with the provisions of this law.
- Article 10/b of the same law also clarifies the powers of his Excellency the director general in establishing, merging or abolishing any section in any directorate of Jordan Customs based on a recommendation from that committee.



Chapter 2

Achievements in the fields of Human Resources And Training



First: Human Resources

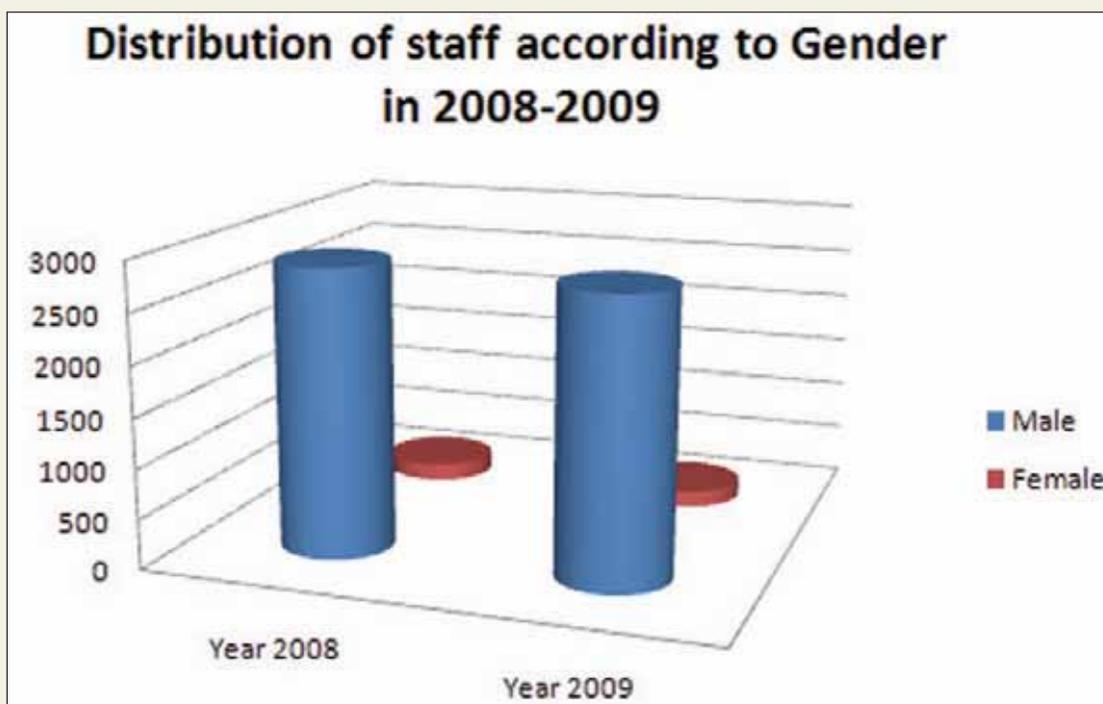
The Customs Department is characterized by its continuous interest in the development of its human resources and performance improvement to the maximum degree of excellence and creativity by sending its human cadres to specialized training courses which will contribute to the adoption of global best practices on customs work.

The Customs Department is annually studying the regulatory situations of its human resources and their needs which contribute to raise the institutional capacity building.

1. The layout of human resources in the Customs Department.

Distribution of staff according to Gender in 2008 -2009

| Gender | 2008 | 2009 |
|--------------|-------------|-------------|
| Male | 2869 | 2822 |
| Female | 176 | 162 |
| Total | 3045 | 2984 |



Distribution of staff according to the type of recruitment in 2008- 2009

| Type of Recruitment | 2008 | 2009 |
|----------------------------|-------------|-------------|
| Permanent posts | 2310 | 2241 |
| Contracts | 477 | 471 |
| Daily wages | 2 | 2 |
| Customs Security Agreement | 256 | 270 |
| Total | 3045 | 2984 |

Distribution of staff according to the Customs Ranks in 2009

| Rank | Major General | Brigadier General | Colonel | Lieutenant Colonel | Major | Captain | 1 st Lieutenant | Lieutenant |
|--------------|-----------------------|-------------------|----------------|--------------------|------------|-----------------------------------|----------------------------|------------|
| Total | 1 | 4 | 88 | 107 | 182 | 287 | 288 | 210 |
| Rank | staff warrant officer | warrant officer | staff sergeant | Sergeant | Corporal | Customs 1 st policeman | Customs policeman | |
| Total | 64 | 224 | 230 | 244 | 117 | 79 | 116 | |

Distribution of employees according to qualifications in 2008 -2009

| Qualifications | 2008 | | | 2009 | | |
|--|-------------|------------|-------------|-------------|------------|-------------|
| | Male | Female | Total | Male | Female | Total |
| PH.D | 13 | 0 | 13 | 8 | 0 | 8 |
| Masters | 124 | 7 | 131 | 124 | 7 | 131 |
| High Diploma | 16 | 0 | 16 | 14 | 0 | 14 |
| Bachelors | 854 | 65 | 919 | 840 | 63 | 903 |
| Comprehensive Diploma | 289 | 42 | 331 | 260 | 37 | 297 |
| Diploma (without a (Comprehensive Certificate | | | | 2 | 12 | 14 |
| General Secondary Certificate | 629 | 49 | 678 | 604 | 44 | 648 |
| Less than Secondary Certificate | 944 | 13 | 957 | 960 | 9 | 969 |
| Total | 2869 | 176 | 3045 | 2822 | 162 | 2984 |



Distribution of staff by age groups in 2008 -2009

| Age | 2008 | | 2009 | |
|--------------|------|--------|------|--------|
| | Male | Female | Male | Female |
| Less than 20 | 32 | 0 | 5 | 0 |
| 21-25 | 263 | 12 | 213 | 6 |
| 26-30 | 494 | 50 | 468 | 40 |
| 31-35 | 326 | 28 | 362 | 30 |
| 36-40 | 472 | 34 | 444 | 25 |
| 45-41 | 586 | 32 | 587 | 36 |
| 46-50 | 456 | 16 | 506 | 23 |
| 51-55 | 161 | 4 | 169 | 2 |
| More than 56 | 79 | 0 | 68 | 0 |
| Total | 2869 | 176 | 2822 | 162 |
| | 3045 | | 2984 | |

2. Achievements in the field of developing the institutional capacity and human resources:

Jordan customs made many achievements during 2009 in the field of institutional capacity building and human resources, as shown below:

A - Assessing and reviewing Jordan Customs Employees Statute No. (69) for the year 2006:

Customs Employees Statute was further reviewed and necessary amendments were made to the existing articles and provisions in line with the interest of the employee and the public.

B - Rewards and incentives:

The department is working on motivating customs employees and increasing their productivity by evaluating their efforts and motivating them financially and /or morally within specific mechanisms and criteria, some of the examples are:

- 1 - Scholarships for the children of workers and retirees.
- 2 - Flights of Hajj and Umrah.
- 3 - Letters of appreciation

- 4 - The table below shows number of scholarships offered by the department for the children of workers and retirees and the number of employees sent to Hajj and Umrah in 2009 compared with 2008. The number of scholarships granted to the children of workers and retirees until the end of the year 2009 amounted to (150) grants:

| Subject | 2008 | 2009 |
|--|-------------|-------------|
| No. of scholarships for the children of workers and retirees | 40 | 40 |
| Hajj and Umrah | 22 | 96 |

- 5- Promoting and reinforcing creativity and excellence through submission of proposals which aim at simplifying work procedures, developing the institutional capacity and proposals that will increase the satisfaction of the service recipients.

| Subject | Number |
|--|---------------|
| Proposals published on the initiatives and excellence web site | 300 |
| Letters of appreciation | 75 |
| Honored employees with excellence awards in 2008 | 12 |

C- Internal and external representation:

The table below shows the number of employees who were representatives of the Customs Department at the local, regional and international levels during 2008-2009. Such representation aims at strengthening bonds of administrative cooperation, developing common experiences, skills and capacity building, and disseminating knowledge among the staff.

Internal and External Representation

| year | Number of participants (External Representation) | Number of participants (Internal Representation) |
|-------------|---|--|
| 2008 | 158 | 359 |
| 2009 | 200 | 771 |

D - Other achievements in the field of the development of employees' capabilities:

1. Starting the implementation of discipline training courses. These courses were held in several batches at the Special Operations School, Jordan Armed Forces, and (97) employees were trained there. A committee was established to supervise these training courses.
2. Training programs about Jordan Customs Employees Statute and Code of Conduct were organized for the purposes of establishing the values of the department and consolidating its concepts.



3. Going through personnel files to identify the employees who are eligible for the abolition of disciplinary sanctions set out in Article (69 / e).
4. Starting the implementation of archiving of personnel files project.
5. Completing the computerization of attendance system by using fingerprints.
6. Preparing circulars for dissemination of knowledge in subjects related to Jordan Customs Employees Statute.
7. Recruiting (31) customs security guards at the customs houses.
8. Appointment of (60) employees from the Public Security Directorate in replacement to others whose contracts were terminated.
9. Following-up employees appointed by contracts and renewing their contracts. Their number was determined, and the cabinet was addressed to change the status of these contracted employees and give them permanent jobs, which was done in 2009

In the field of exchange of knowledge with other Arab States:

- The department has received a number of delegations from Arab countries such as the UAE delegation, the Bahraini delegation and the Iraqi delegation. Several meetings related to the human resources subjects were held. Such meetings contributed to further increase communications and exchange of experiences.
- Preparation of brochures relating to human resources and ways of their development as well as brochures on Jordan Customs Employees Statute, job description cards and Code of conduct of Customs employees, all of which were in line with customs job which bears a lot on security and economic issues. Such brochures were made available on CDs in both Arabic and English. A copy of each of these brochures was sent to the delegations who visited the Customs Department.
- The Organization for Economic Cooperation and Development (OECD) valued the experience of the customs department in the field of performance evaluation. The customs department provided the review team with regulations based on incentives which are very effective to prevent any unethical behavior, and promote commitment to ethical standards of the department as well as integrity as an element of the periodic performance evaluation. The OECD cited Jordan Customs as an example to be followed in such respects.

Second: Training

Customs pays a lot of attention to training issues and it has a lot of faith in the importance of training in the qualification of employees and upgrading their competences so as to enable them to fully perform their tasks and provide distinguished services with high quality. This is supposed to show on the degree of the satisfaction of the service recipients.

Customs training center prepared a training plan based on the actual needs of the staff for training gaps. Activities of the training plan of 2009 were implemented. They were distinguished by their flexibility and the ability to include more specialized training programs for customs officers and for the employees of other clearance companies and public and private sectors in addition to conducting many regional training programs.

The impact of training is reflected on increasing the skills and efficiency of employees, detection of contraband seizures of all kinds in addition to increasing the speed of completion of customs transactions related to the release of the goods.

Training programs in 2009. compared with the year 2008

| Subject | 2008 | 2009 |
|-----------------------------|------------|------------|
| Number of training programs | 176 | 220 |
| Number of participants | 3040 | 3019 |
| Number of trainers | 110 | 120 |

These training programs included many subjects related to management, specialized courses in the field of customs inspection, and technical courses in the field of computer and electronic systems and other courses.

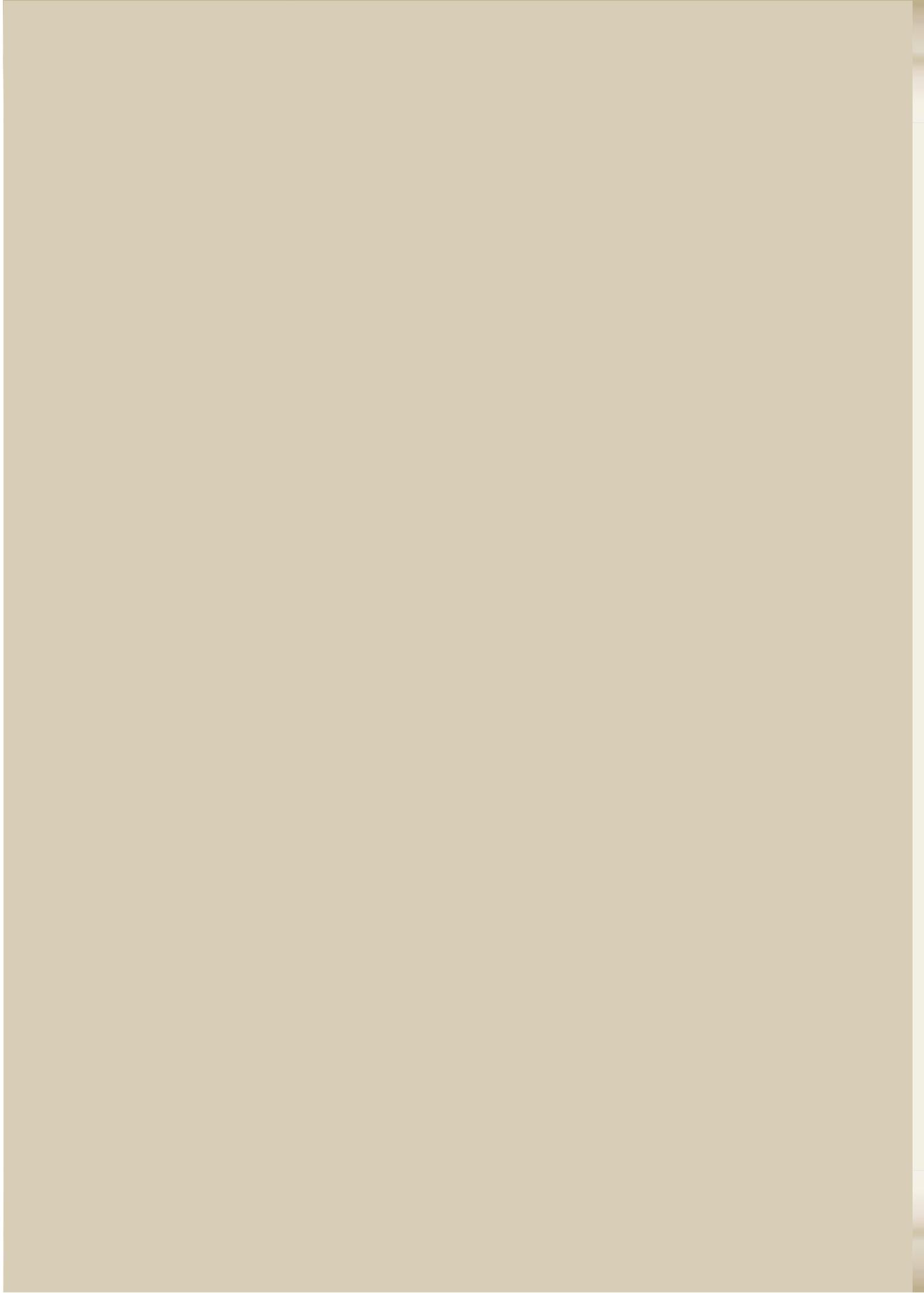
Training Courses in the field of customs procedures that are given to customs brokers.

| subject | Number of hours | number of participants |
|----------------------------------|-----------------|------------------------|
| Branch managers training courses | 340 | 147 |
| Basic trainees training courses | 542 | 270 |
| Total | 882 | 417 |



The Regional Courses during the year 2009

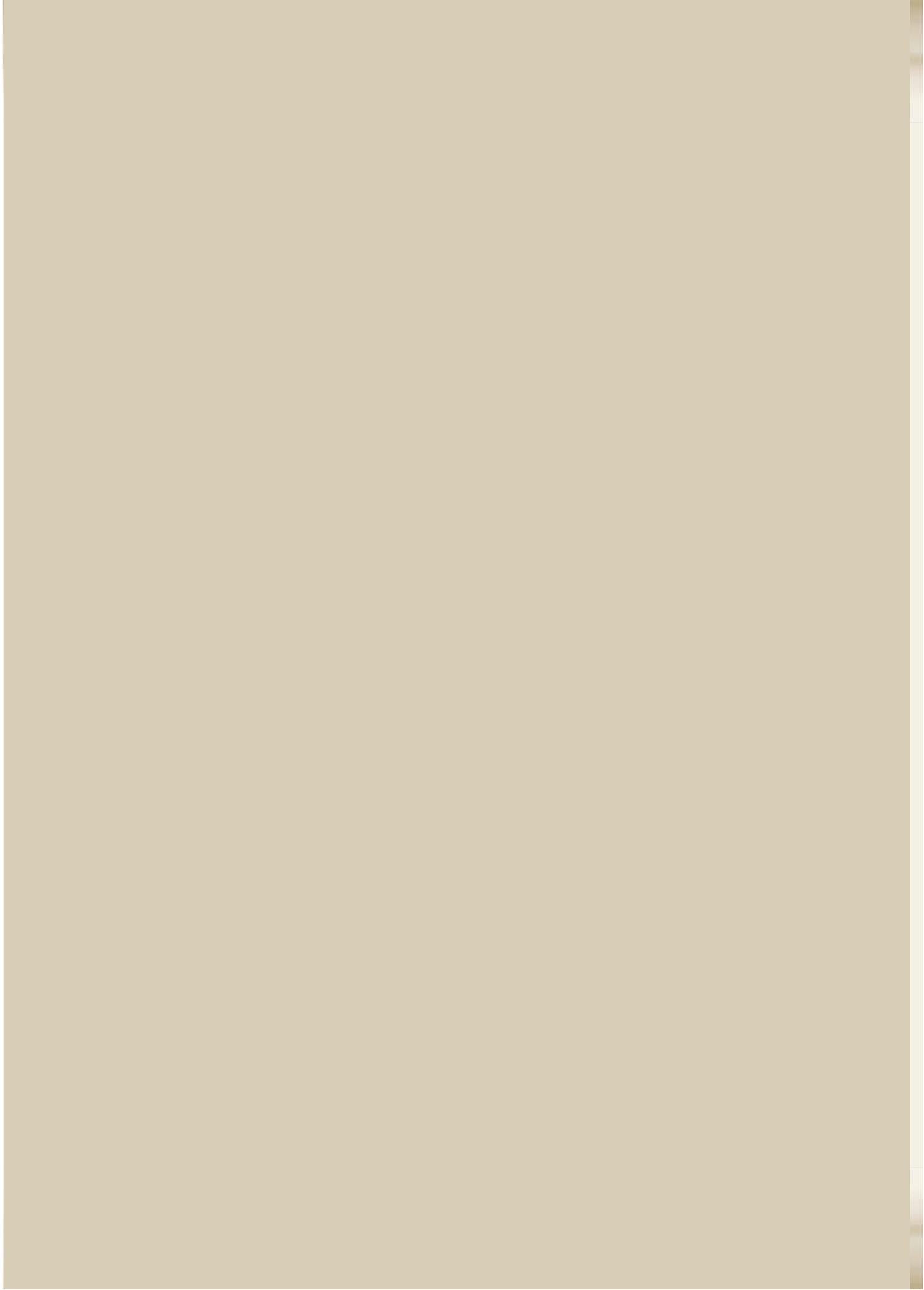
| Training course Title | number of participants |
|---|-------------------------------|
| Anti-smuggling | 20 |
| Risk management and the golden list program | 21 |
| Combating piracy and trademark infringement | 22 |
| Narcotic Drugs and Psychotropic Substances | 40 |
| TOTAL | 103 |





Chapter 3

Achievements in the Field of Customs Revenues

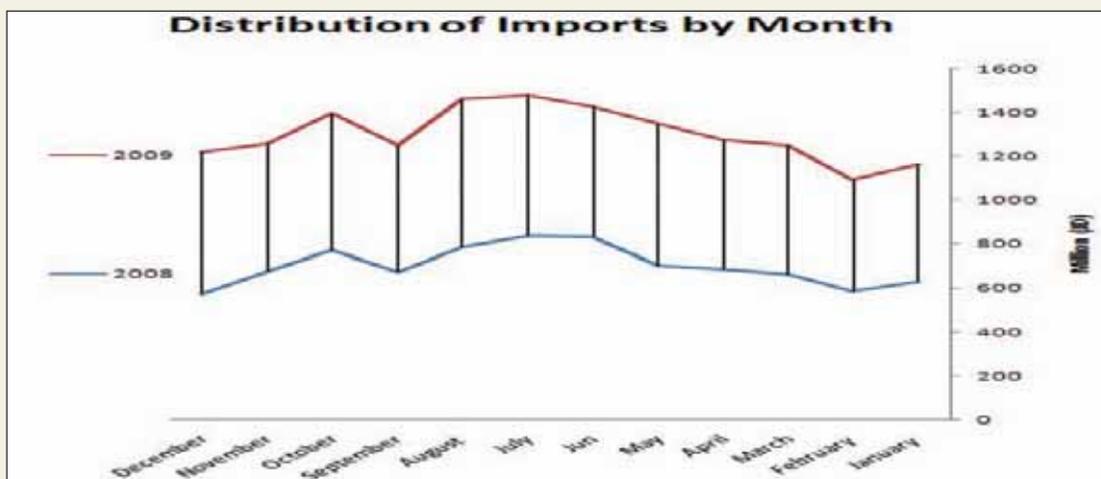


Firstly: In the Field of Customs Imports and Revenues:

1. Imports:

The value of imports for the year 2009 was (7.216) billion (JD), with a decrease of (-1.196) billion (JD) as compared to 2008 imports which totaled (8.412) billion (JD), without taking into account the imports of (crude oil). This means there is a (%14.2-) decline in the volume of imports according to the importation customs declarations (IM4) for local consumption which were recorded in the computerized customs houses where Asycuda World System is applied, and as shown in the following table:

| Month | Imports 2008 (Million JD) | Imports 2009 (Million JD) | Amount of Change | Growth Rate |
|-----------|------------------------------|------------------------------|---------------------|-------------|
| January | 627.992 | 536.412 | -91.581 | -14.6 |
| February | 586.410 | 508.468 | -77.942 | -13.3 |
| March | 663.265 | 585.784 | -77.481 | -11.7 |
| April | 685.577 | 591.439 | -94.138 | -13.7 |
| May | 701.011 | 650.125 | -50.887 | -7.3 |
| Jun | 831.914 | 596.776 | -235.138 | -28.3 |
| July | 837.219 | 641.704 | -195.515 | -23.4 |
| August | 785.459 | 676.693 | -108.766 | -13.8 |
| September | 671.067 | 579.326 | -91.741 | -13.7 |
| October | 773.591 | 621.225 | -152.367 | -19.7 |
| November | 676.530 | 582.172 | -94.359 | -13.9 |
| December | 572.251 | 645.901 | -73.649 | 12.9 |
| Total | 8412.291 | 7216.026 | -1196.266 | -14.2 |



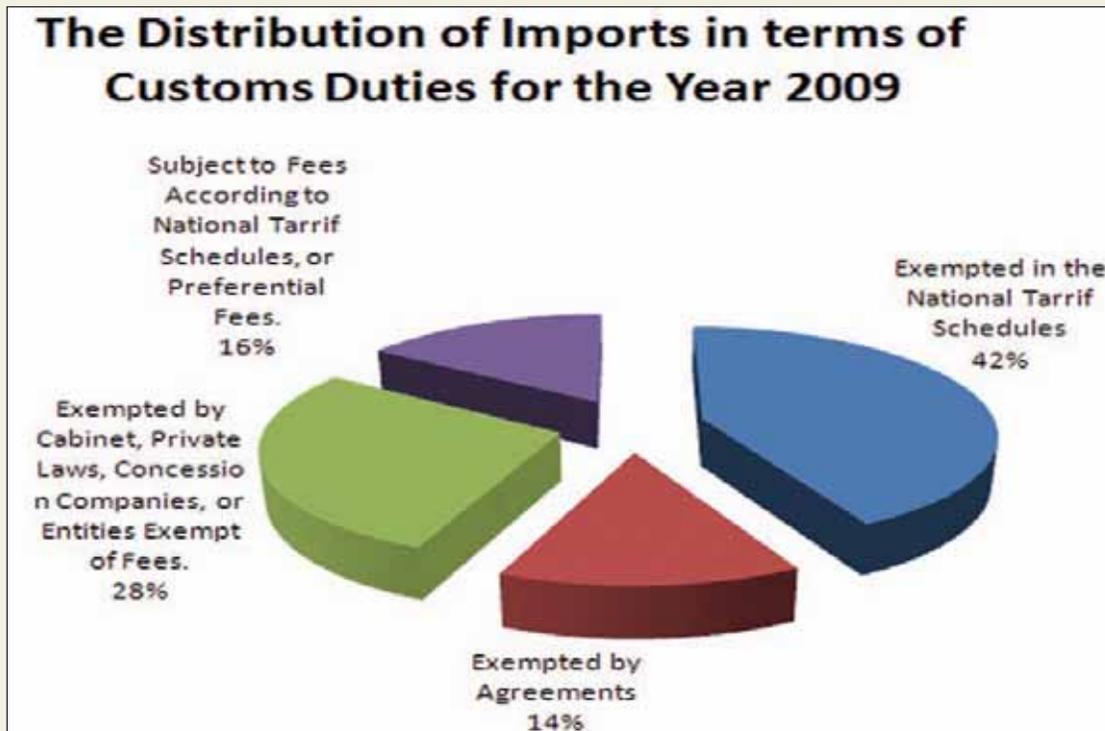
The Distribution of Imports according to Exempted Items and Items that are Subject to the Unified Tariff Customs Duty for 2008 - 2009 (Million JDs)

| Distribution of Imports | 2008 | | | 2009 | | |
|--|-----------------------------|---------|------------------|-----------------------------|---------|------------------|
| | Unified Tarrif Customs Duty | Imports | Ratio of Imports | Unified Tarrif Customs Duty | Imports | Ratio of Imports |
| Exempted in the National Tarrif Schedules | 0 | 3686 | 36.9 % | 0 | 3346 | 42.3 % |
| Exempted by Agreements | 0 | 1085 | 10.9 % | 0 | 1108 | 14.0 % |
| Exempted by Cabinet, Private Laws, Concession Companies, or Entities .Exempt of Fees | 0 | 3703 | 37.0 % | 0 | 2215 | 28.0 % |
| Subject to Fees According to National Tarrif Schedules, .or Preferential Fees | 267 | 1522 | 15.2 % | 248 | 1240 | 15.7 % |

Tariff Weighted Average 2009 = 3.1 %

Tariff Weighted Average 2008 = 2.7 %

- Information Source: Asycuda World



The Distribution of categories of Duties on the Imports for the Period 2008 - 2009 (Million JDs)

| Categories of Customs Duties | 2008 | | | | 2009 | | | |
|--|-----------------------------|----------------|---------|---------------------|-----------------------------|----------------|---------|---------------------|
| | Unified Tarrif Customs Duty | Rate of Duties | Imports | Relative Importance | Unified Tarrif Customs Duty | Rate of Duties | Imports | Relative Importance |
| More than zero and less than or equal to 5% | 16.748 | 6.3 % | 439.285 | 28.9 % | 7.017 | 8.2 % | 208.950 | 16.8 % |
| More than 5 % and less than or equal to 10% | 12.266 | 4.6 % | 163.490 | 10.7 % | 10.173 | 4.1 % | 129.084 | 10.4 % |
| More than 10 % and less than or equal to %15 | 11.816 | 4.4 % | 82.392 | 5.4 % | 14.642 | 5.9 % | 108.783 | 8.8 % |
| More than 15% and less than or equal to 20% | 14.057 | 3.5 % | 79.196 | 2.5 % | 18.021 | 3.7 % | 100.625 | 1.8 % |
| More than 20% and less than or equal to 25% | 87.060 | 32.6 % | 396.117 | 0.62 % | 70.287 | 4.82 % | 331.869 | 26.8 % |
| More than 25% and less than or equal to %30 | 98.909 | 37.0 % | 331.363 | 8.12 % | 96.088 | 8.83 % | 323.821 | 1.62 % |
| More than 30% | 23.447 | 8.8 % | 30.336 | 2.0 % | 28.629 | 5.11 % | 36.959 | 0.3 % |
| Unified Specific Tarrif Customs Duties | 3.142 | 2.1 % | --- | --- | 3.025 | 2.1 % | --- | --- |

Weighted average of imports which were subject to tarrif duties 2009 =20.0%

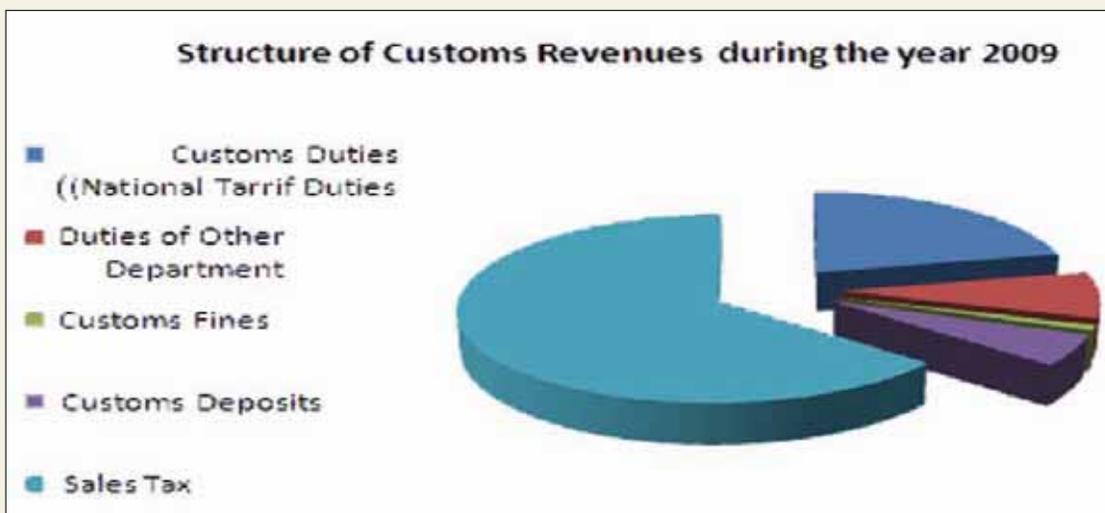
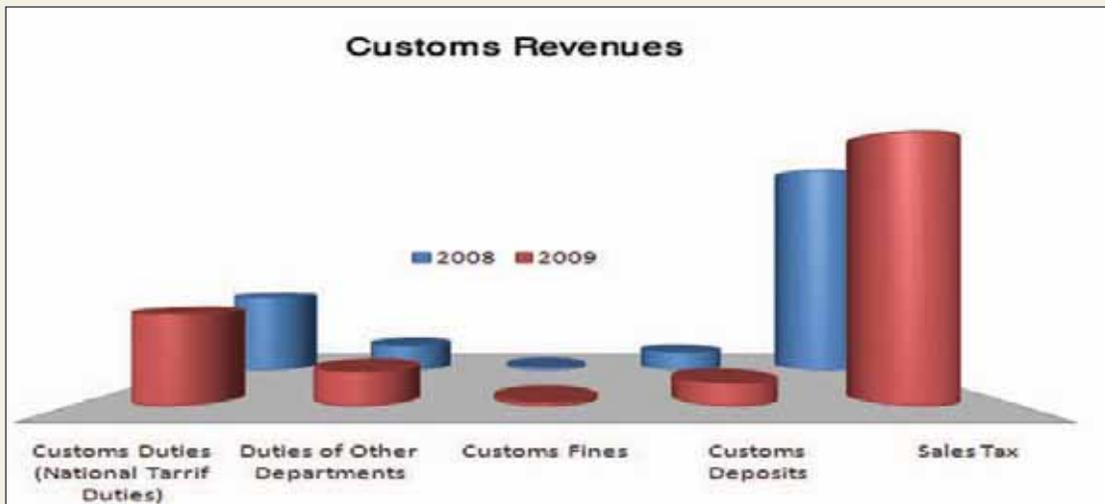
Weighted average of imports which were subject to tarrif duties 2008 =17.6%

- Information Source: Asycuda World

2. Customs Collections:

Customs Collections amounted to (1.216) billion (JD) in 2009, compared to (1.211) billion (JD) in 2008, which means an increase in customs collections of (4.563) million (JD), or (0.4%). Distribution by type of that increase is shown in the table below:

| Customs Collections | 2008 | | 2009 | | Value of Change (million JD) | Ratio of Change % |
|---|--------------------|-----------------------|--------------------|-----------------------|------------------------------|-------------------|
| | Value (million JD) | Relative Importance % | Value (million JD) | Relative Importance % | | |
| Customs Duties (Unified (Tarrif Customs Duties) | 279.748 | 23.1 | 263.007 | 21.6 | -16.741 | -6.0 |
| Duties of Other Departments | 94.100 | 7.8 | 98.277 | 8.1 | 4.176 | 4.4 |
| Customs Fines | 11.787 | 1.0 | 11.372 | 0.9 | -0.416 | -3.5 |
| Customs Deposits | 66.682 | 5.5 | 65.268 | 5.4 | -1.414 | -2.1 |
| Sales Tax | 759.038 | 62.7 | 777.995 | 64.0 | 18.957 | 2.5 |
| Total Collections | 1211.355 | 100.0 | 1215.917 | 100.0 | 4.563 | 0.4 |





Customs Revenues for each Customs House of All Types of Duties and Other Taxes for the Year 2009 (JDs)

| Customs House | Unified Tarrif Duties | Customs Fines and Confiscations | Sales Tax | Duties of Other Departments | Deposits | Total |
|---|-----------------------|---------------------------------|--------------------|-----------------------------|-------------------|----------------------|
| Amman Customs House | 83,135,387 | 1,813,701 | 250,398,555 | 13,719,240 | 10,097,514 | 359,164,400 |
| Al Zarqa Free Zone Customs House/ Vehicle | 14,696,209 | 712,879 | 252,825,952 | 12,002,236 | 2,753,121 | 282,990,399 |
| Aqapa Customs House | 845,828,851 | 920,997 | 129,322,169 | 16,711,034 | 9,363,109 | 240,900,196 |
| Airport Customs House/ Clearance | 22,210,514 | 812,478 | 52,368,563 | 6,817,947 | 7,255,863 | 89,465,367 |
| Public Warehouses | 18,336,446 | 87,026 | 23,554,594 | 1,273,426 | 825,382 | 44,076,875 |
| Zarqa Free Zone Customs House/ goods | 19,158,508 | 262,449 | 20,361,410 | 1,879,998 | 1,198,421 | 42,860,787 |
| Al-Omari Customs House | 1,497,703 | 953,463 | 3,609,060 | 13,988,937 | 15,170,404 | 35,219,568 |
| King Abdullah II Bin Al-Hussein Industrial Estate Customs House/Sahab | 9,699,583 | 152,038 | 17,386,313 | 1,781,912 | 1,691,965 | 30,711,813 |
| Jabber Customs House | 2,200,765 | 690,627 | 2,277,747 | 17,195,114 | 6,209,397 | 28,573,652 |
| Directorate of Financial Affair | 3,605,490 | 2,558,563 | 14,243,487 | 627,047 | 3,201,380 | 24,235,968 |
| Jordanian -Syrian Free Zone Customs House | 302,434 | 59,760 | 6,978,636 | 1,626,423 | 1,253,772 | 10,221,026 |
| Al-Karamah Customs House | 154,177 | 197,577 | 11,755 | 6,198,823 | 599,876 | 7,162,210 |
| Jordan Valley Crossing Point Customs House | 474,101 | 45,758 | 685,518 | 1,029,132 | 840,122 | 3,074,633 |
| Al-Ramtha Customs House | 959,127 | 176,068 | 548,045 | 310,234 | 867,194 | 2,860,670 |
| Enforcement Directorate | 333,536 | 1,275,941 | 183,997 | 44,260 | 654,379 | 2,492,116 |
| King Hussein Bridge Customs House/South Shauna | 93,353 | 19,936 | 1,789,175 | 330,205 | 213,444 | 2,446,113 |
| Al-Mdawarah Customs House | 65,647 | 138,058 | 40,598 | 889,048 | 1,215,721 | 2,349,074 |
| Cases Directorate | 95,588 | 199,520 | 136 | 1,185,783 | 394,463 | 1,875,493 |
| Al-Mafraq Customs House | 701,082 | 69 | 324,576 | 37,580 | 15,252 | 1,078,560 |
| Al-Hassan Industrial Estate Customs House/Irbid | 76,204 | 42,758 | 314,692 | 197,954 | 304,096 | 935,706 |
| Airport Customs House/ Passengers | 218,384 | 70,397 | 212,326 | 47,286 | 309,466 | 857,860 |
| Waddi Al-Yutm Customs House | 186,551 | 74,829 | 136,992 | 24,015 | 301,634 | 724,023 |
| Amman Post Office Customs House | 157,099 | 18,831 | 239,492 | 44,076 | 34,577 | 494,077 |
| Al-Dhulail Customs House | 27,261 | 52,320 | 50,763 | 89,814 | 225,169 | 445,329 |
| Al-Raqeem Customs House | 7,499 | 31,466 | 11,142 | 94,821 | 182,402 | 327,332 |
| Ghour Numaira Customs House | 634 | 100 | 95,776 | 31,205 | 7,591 | 135,307 |
| Al-Hussein Industrial Estate Customs House/ Karak | 9,466 | 2,136 | 7,815 | 21,968 | 66,307 | 107,694 |
| Al-Sheediyyeh Customs House | 4,517 | 50 | 353 | 62,095 | 2,766 | 69,781 |
| Al Zarqa Customs House | 10,836 | 134 | 11,342 | 6,225 | 4,824 | 33,362 |
| Ammon Customs House | 0 | 350 | 0 | 7,667 | 6,039 | 14,057 |
| Amman Civil Airport Customs House | 5,676 | 1,311 | 3,615 | 1,077 | 2,329 | 14,010 |
| Total | 263,006,680 | 11,371,603 | 777,994,606 | 98,276,593 | 65,267,991 | 1,215,917,474 |

Value of Customs Deposits Collections for 2009 Compared to 2008 (JDs)

| Customs Deposits | 2008 | | 2009 | | Change volume | Change %Rate |
|---|-------------------|-------------|-------------------|-------------|-------------------|---------------|
| | Amount | Ratio | Amount | Ratio | | |
| Service Allowances | 28,565,104 | 42.79 % | 30,077,462 | 46.08 % | 1,512,358 | 5.29% |
| Rewards Deposits | 4,660,002 | 6.99% | 4,576,991 | 7.01 % | 83,011- | - 1.78% |
| Customs Insurance | 16,117,668 | 24.19% | 14,686,251 | 22.50 % | -1,431,417 | - 8.88 % |
| Passengers Deposits | 16,234,358 | 24.37% | 15,248,974 | 23.36 % | 985.384- | - 6.07 % |
| Drawback Deposits | 799,419 | 1.20% | 406,870 | 0.62 % | -392,549 | - 49.10 % |
| Deposits of Fuel Support | 139 | 0.0002% | 200 | 0.00 % | 61 | 43.88 % |
| Universities> Deposits | 2,434 | 0.004% | 7,373 | 0.01 % | 4,939 | 202.92 % |
| Tobacco Planting Promotion Deposits | 0 | 0% | 271 | 0% | 271 | ---- |
| Youth Welfare Deposits | 302,390 | 0.45% | 263,566 | 0.40 % | -38,824 | -12.84% |
| Agricultural Marketing Deposits | 0 | 0% | 22 | 0% | 22 | ---- |
| Deposits of Support Some of Agricultural Products | 0 | 0% | 11 | 0% | 11 | ---- |
| Total | 66,681,513 | 100% | 65,267,991 | 100% | -1,413,523 | -2.12% |

Value of Other Departments' Revenues Collections for 2009 Compared to 2008 (JDs)

| Other Departments' Duties | 2008 | | 2009 | | Change Volume | Change Rate % |
|---|-------------------|-------------|-------------------|-------------|------------------|---------------|
| | Amount | Ratio | Amount | Ratio | | |
| Waste Paper Export Duties | 170,364 | 0.18% | 166,506 | 0.17% | -3,858 | - 2.26 % |
| Veterinary Duties | 286,120 | 0.30% | 1,078,332 | 1.10% | 792,212 | 276.88 % |
| Livestock Censes Tax | 88,293 | 0.09% | 66,974 | 0.07% | -21,319 | - 24.15 % |
| Social Affair Duties | 2,637 | 0% | 1,862 | 0.00% | -775 | - 29.39 % |
| Agricultural Quarantine Duties | 129,110 | 0.14% | 142,834 | 0.15% | 13,724 | 10.63 % |
| Receivers Duties | 190 | 0% | 70 | 0.00% | -120 | - 63.16 % |
| Stamps Duties | 16,234,921 | 17.24% | 16,268,480 | 16.55% | 33,559 | 0.21 % |
| Roads Services and Escorting Duties | 32,475,748 | 34.49% | 34,062,561 | 34.66% | 1,586,813 | 4.89 % |
| Diesel allowances for quantities in Excess of a Given Limit | 1,122,772 | 1.19% | 987,764 | 1.01% | -135,008 | - 12.02 % |
| Traffic Department's Duties | 1,148,790 | 1.22% | 1,286,771 | 1.31% | 137,981 | 12.01 % |
| Overloading Fines | 1,677,704 | 1.78% | 2,530,631 | 2.58% | 852,927 | 50.84 % |
| Standards and Metrology Duties | 4,740,109 | 5.03% | 4,886,091 | 4.97% | 145,982 | 3.08 % |
| Income Tax | 32,161,975 | 34.16% | 31,794,407 | 32.35% | -367,568 | - 1.14 % |
| Food Consignment Inspection Duties | 588,019 | 0.62% | 919,113 | 0.94% | 331,094 | 56.31 % |
| X-Ray Scanning Duties | 3,273,476 | 3.48% | 4,084,197 | 4.16% | 810,721 | 24.77 % |
| Total | 94,100,227 | 100% | 98,276,593 | 100% | 4,176,365 | 4.44 % |



Secondly: General Sales Tax

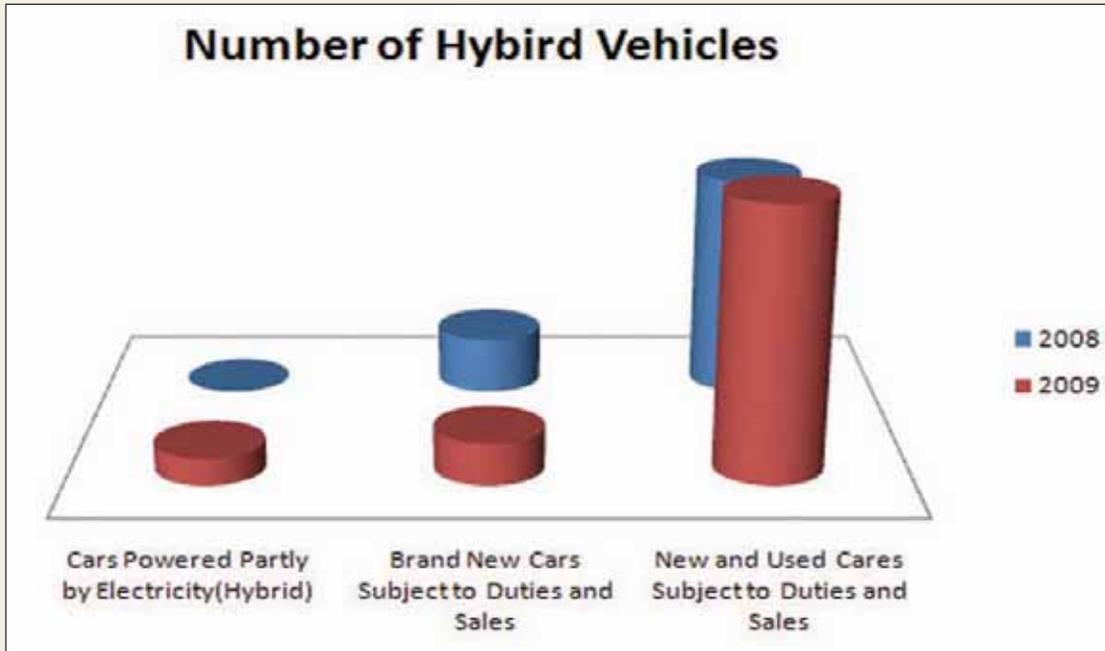
Despite the decline of the imports` revenues by (%14.2), there has been an increase in sales tax collections, as it amounted to (777.994) million (JD) in 2009, with an increase of (18.957) million (JD) as compared to the year 2008 which amounted only to (759.038) million (JD). The main reason for that is the increase of the relative special sales tax revenues, because of the higher demand on clearance for passenger vehicles.

Thirdly: Vehicles

| Description | 2008 | | 2009 | |
|---|--------------|-------------------------|--------------|-------------------------|
| | Number | Value ((million(JD) | Number | Value ((million(JD) |
| passenger vehicles powered Partly by (Electricity (Hybrid | 61 | 1.0 | 5558 | 119.1 |
| Brand New passenger vehicles Subject to Duties and Sales | 11743 | 126.6 | 8716 | 95.1 |
| New and Used passenger vehicles Subject to Duties and Sales | 46213 | 216.6 | 56162 | 279.9 |
| Total | 58017 | 344.2 | 70436 | 494.1 |

The table above shows the following:

- The number of Hybrid Vehicles which were cleared for the year 2009 was (5558) cars, with a value of (119.1) million JD approximately, and the due fees were (96.4) million JD approximately, which were not collected, because those cars were completely exempted of all duties and taxes.
- The number of vehicles (except the hybrid) that were cleared during the year 2009 was (64878) cars, while in 2008 was (57956) cars. With an increase of (6922) cars, which equals (11.9%).



Fourthly: In the Area of Customs Cases

Through the achievement of the strategic objective of fighting illegal activities, Jordan Customs detected a number of smuggling and customs violation cases. The table below shows that the number of detected cases in the year 2009 was (63195) cases compared with 2008 which was (44655) cases, within increase of (18540) cases.

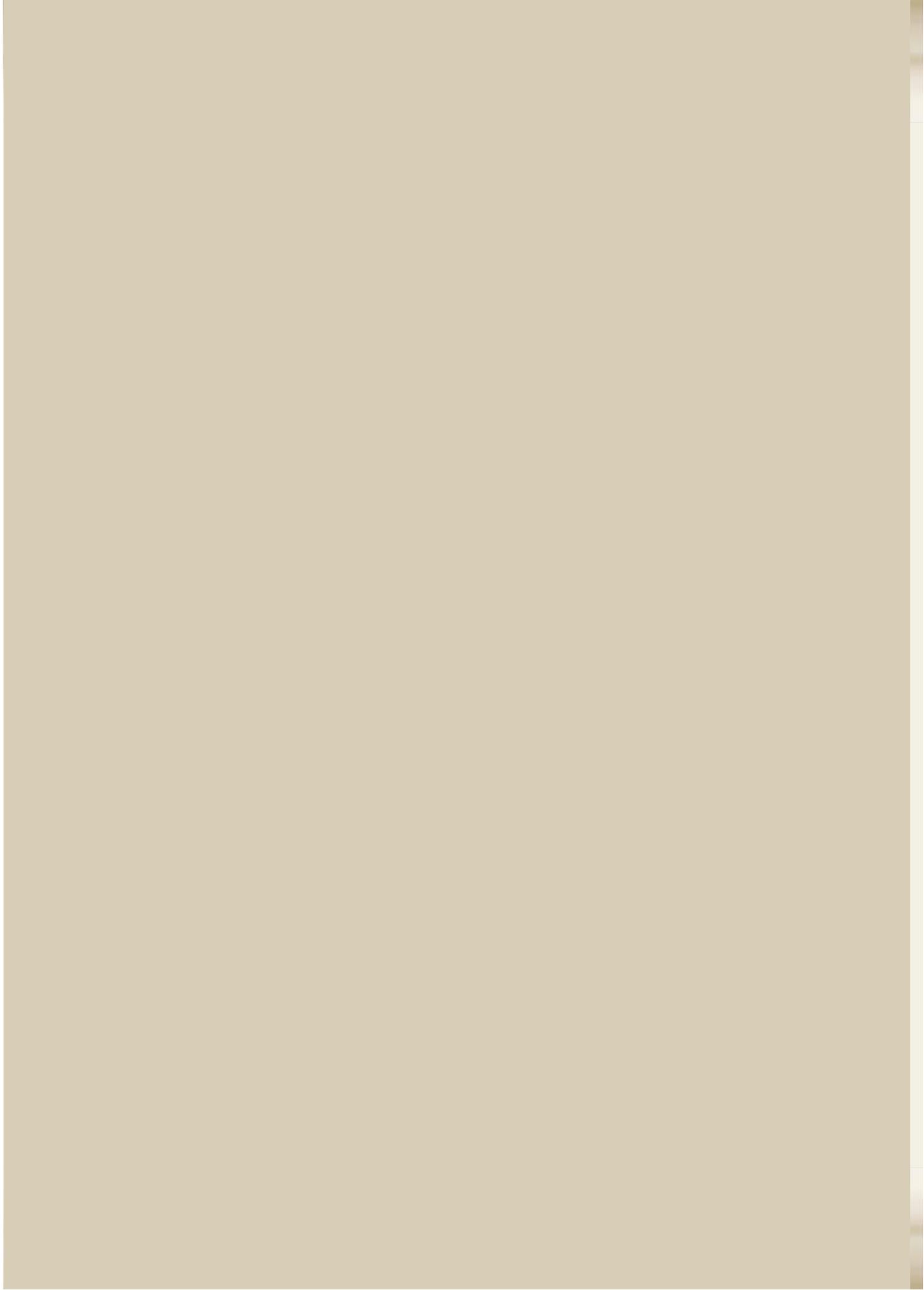
Statistics for the completed cases and the value of fines collected for the year 2009

| Type of the Case | 2009 | |
|------------------|--------------|------------------------------------|
| | Number | The collected value (million (JD)) |
| Smuggling | 9702 | 7.824 |
| Violations | 53493 | 4.660 |
| Total | 63195 | 12.484 |



Chapter 4

Achievements in the Field of Strategic
Planning, Follow up, and Evaluation





Firstly: Customs Strategic Plan for the Years 2008 -2009

Customs Department continues its strategic planning in order to achieve its strategic objectives. The plans and programs of the strategic plan were developed and improved. Customs Department has followed and evaluated the strategic objectives which were achieved in the year 2009 by means of measurement indicators that included three main strategic objectives of the Customs Department as follows:

- 1. Facilitating the movement of passengers and goods:** By simplifying the operations and decreasing the period of time needed to complete customs procedures for passengers and goods, and by continuing the improvement through raising the efficiency and capacity of Customs Department, and strengthening coordination with the authorities concerned with facilitating the movement of passengers and goods in order to improve their performance, and by utilizing of the latest electronic system, and inspection devices in order to reinforce the simplification of customs procedures.
- 2. Combating illicit trade activities:** By improving the effectiveness of controls, strengthening the activities of combating fraud, and fighting trademark counterfeit, in addition to the utilization of the advanced devices to detect contraband and dangerous materials, and by training the employees on the use of those advanced devices, and giving them specialized courses on the mechanism of inspection, and by stimulating the initiatives of projects concerning improving control support systems.
- 3. Developing the structure, infrastructure, and overall performance of Jordan Customs Department:** Customs Department`s endeavor to improve the infrastructure has led to the development of performance, and the improvement of service quality in line with international standards in the area of customs policies worldwide. Institutional capacity building of Customs Department, communication, and informative publishing are the main pillars of Customs Department`s strategic planning, because of their positive impact on the sector of Jordan Customs Department`s clients.

Secondly: Evaluating Performance of the Strategic Plan for the year 2009

In continuation of the process of annual performance evaluation in accordance with its strategic plan, Customs Department has revised performance measurement indicators of programs and projects for the year 2009 in light of accomplishment in the year 2008, in order to avoid areas of risk that prevented the implementation of some indicators. For the same purpose, Customs Department also monitored the progress of works of these programs and projects during periodic intervals for the year 2009.

Thirdly: Analyzing the Implementation Plan for the year 2009

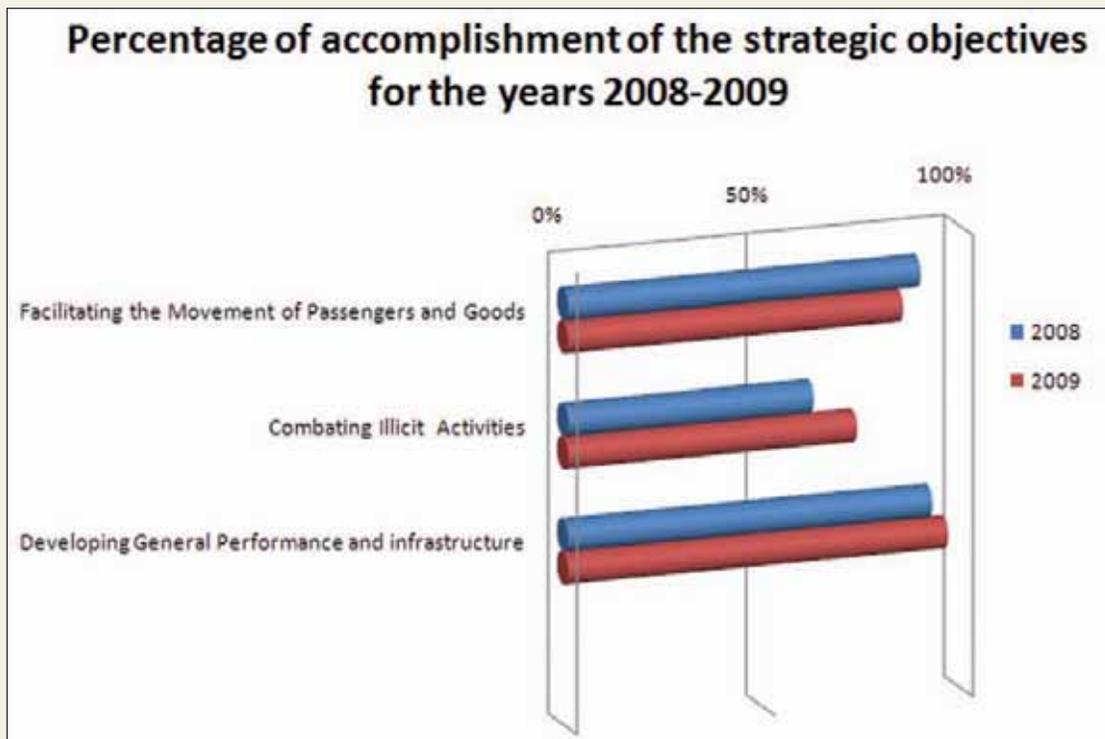
1. The total number of performance indicators was (96).
2. The general ratio of achievement was %84.
3. The year 2009 marked an improvement in performance compared with 2008, as the table below shows:

| Indicators | 2008 | | 2009 | | Ratio of change |
|-------------------------------|----------------------|--------------|----------------------|--------------|-----------------|
| | Number of Indicators | ratio | Number of Indicators | ratio | |
| Indicators of positive impact | 73 | 82.1 % | 81 | 84.4 % | 2.3+ % |
| Indicators of negative impact | 16 | 17.9 % | 15 | 15.6 % | 2.3- % |
| Total | 89 | 100 % | 96 | 100 % | |



4. Percentage of accomplishment of the strategic objectives for the years 2008-2009

| Strategic Objective / Annual Accomplishment | Facilitating the Movement of Passengers and Goods | Combating Illicit Activities | Developing General Performance and infrastructure of Customs Department | Percentage of General Accomplishment |
|--|---|------------------------------|---|--------------------------------------|
| Accomplished Ratio of the performance indicators for the year 2008 | 89 % | 62 % | 92 % | 82 % |
| Accomplished Ratio of the performance indicators for the year 2009 | 84.6 % | 73 % | 96 % | 84 % |



5. Percentage of accomplishment of performance indicators for the year 2009:

| Indicator Number | Indicators | Targeted | What has been Actually Achieved |
|------------------|--|---------------|---------------------------------|
| .1 | The value of transactions received electronically by credit card | 20 Million | 20,487,447 |
| 2. | Number of Customs House applying the Asycuda World System | 4 | 7 |
| 3. | Number of commercial banks associated with Customs Department by the central guarantee system | 3 | 2 |
| 4. | Number of Customs Houses connected electronically with the neighboring countries | 2 | 1 |
| 5. | Number of Customs Houses connected with one another via a modern digital communication network | 7 | 7 |
| 6. | Number of government departments and institutions connected electronically with Customs Department | 1 | 3 |
| 7. | Number of newly introduced computerized customs systems | 4 | 8 |
| 8. | Number of magnetic cards designated for the exemption of diplomatic bodies | applying | 0 |
| 9. | Value of laboratory devices provided for Customs Laboratories | 70000 | 140920 |
| 10. | Number of transactions entered into Customs Value Data Base System | 5300 | 5429 |
| 11. | Number of studies drawn upon in the area of Customs value | 95 | 165 |
| 12. | Number of analytical studies in the area of Customs value for vehicles | 12 | 23 |
| 13. | Number of analytical studies in the area of vehicles value | 1000 | 664 |
| 14. | Number of Customs Transactions referred to Customs Department concerning disagreement on value | 1000 | 1435 |
| 15. | Number of trainees in the field of Asycuda World | 200 | 397 |
| 16. | Number of service recipients of Customs Department | 38400 | 44667 |
| 17. | Number of services provided through Public Service Office | 15 | 52 |
| 18. | Number of services provided through the SMS | 3 | 3 |
| 19. | Number of messages sent through SMS | 50000 | 71390 |
| 20. | Time release study of green lane declarations | 62.59 minute | 0 |
| 21. | Time release study of yellow lane declarations | 94.75 minute | 0 |
| 22. | Time release study of red lane declarations | 127.42 minute | 0 |
| 23. | Ratio of the red lane transactions | 45 % | 47 % |
| 24. | Number of Customs House applying the Single Window System | 5 | 8 |
| 25. | Number of Customs Houses authorized for the clearance of goods | 2 | 3 |
| 26. | Number of Customs House authorized for temporary admission and settling files | 1 | 2 |
| 27. | Number of Customs House authorized for the exemption of military officers | 2 | 2 |
| 28. | Number of Directorates And Customs Houses whose operations has been reengineered | 3 | 7 |
| 29. | Number of trainees in the field of inspections | 120 | 123 |
| 30. | Number of trainees in the field of Customs Value | 60 | 57 |
| 31. | Number of trainees in the field of Harmonized System | 50 | 46 |
| 32. | Number of trainees in the field of Customs Procedures | 120 | 487 |
| 33. | Number of trainees in the field of computer (specialized and basic courses) | 60 | 250 |



| | | | |
|-----|--|--------------|--------------|
| 34. | Number of trainees in the field of dealing with clients | 50 | 31 |
| 35. | Number of incentives granted to the companies enlisted in the Golden List | 1 | 2 |
| 36. | Number of agreements signed with mutual recognition of the Golden List Program | 1 | 0 |
| 37. | Number of companies applying for the Golden List Program | 15 | 26 |
| 38. | Number of companies enlisted in the Golden List | 6 | 8 |
| 39. | Number of awareness courses and workshops on Golden List Program | 5 | 2 |
| 40. | The ratio of positive control over the red lane clearance declarations | 35 % | 29 % |
| 41. | The ratio of positive control over the green lane clearance declarations | 98.00 % | %99 |
| 42. | The positive percentage of the selected control process from the Intelligence Unite | 82 % | 99.63 % |
| 43. | Number of trainees in the field of Risk Management | 60 | 98 |
| 44. | Number of trainees in the field of Intelligence Analysis | 50 | 103 |
| 45. | Number of Customs Houses where the Video-Surveillance System will be expanded and installed. | 6 | 12 |
| 46. | Number of Customs Houses where the communication network has been updated into Tetra | study | %50 |
| 47. | Number of trucks provided with Customs Escorting | 110,000 | 48,987 |
| 48. | Number of X-Ray Inspection Devices used in Customs Houses | 2 | 0 |
| 49. | Number of Night Vision Systems provided for the Enforcement Directorate | 5 | 10 |
| 50. | Number of Customs Houses applying Gates Control System | 2 | 2 |
| 51. | Number of trainees in the area of using Night Vision Devices | 20 | 0 |
| 52. | Number of trainees in the area of using Surveillance Camera | 30 | 0 |
| 53. | Number of trainees in the area of using X-Ray Inspection Devices | 30 | 0 |
| 54. | Number of trainees in the area of using drugs and contraband detection devices | 50 | 0 |
| 55. | Number of trainees in the area of counterfeit and forgery combat | 100 | 103 |
| 56. | Number of trainees in the area of Anti-smuggling | | |
| 57. | Number of trainees in the area of special operations | 80 | 100 |
| 58. | Value of financial claims concerning audited Customs declarations | 2.16 million | 9.71 million |
| 59. | The ratio of collect fines of Customs violations as compared to total fines | 80 % | 57 % |
| 60. | The ratio of collecting fines on smuggling cases as compared to total smuggling cases | 60 % | 50 % |
| 61. | Number of audited companies which were found to have violations | 65 | 81 |
| 62. | Number of companies which have violations out of the total audited company (to ensure safety procedures) | 100 | 84 |
| 63. | Ratio of claims settled to the total number of claims | 60 % | 22 % |
| 64. | Ratio of claims cancelled to the total number of claims | 10 % | 4 % |
| 65. | Number of errors detected during the post audit which were circulated to Customs Houses | 125 | 618 |
| 66. | Number of trainees in the area of post audit | 50 | 124 |

Annual Report 2009

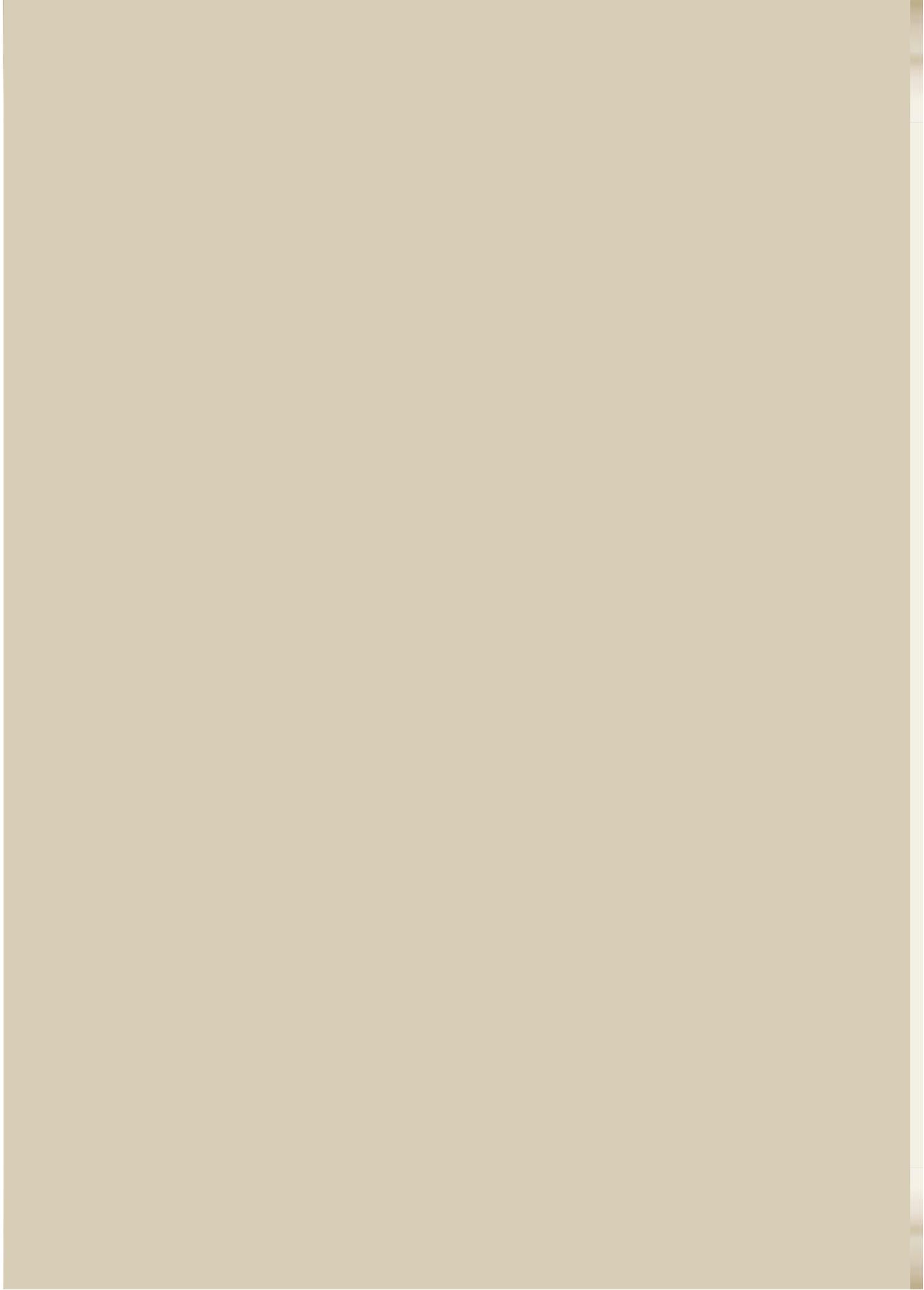
| | | | |
|-----|--|--------------------|--------|
| 67. | Ratio of jural cases that have been settled as compared to total number of cases | 65 % (640)cases | 161% |
| 68. | Ratio of penal cases that have been settled as compared to total number of cases | 70 % (713)cases | 154 % |
| 69. | Ratio of investigation cases that have been settled as compared to total number of cases | 70 % (92)cases | 157 % |
| 70. | Number of yards that will be established or expanded | 4 | 4 |
| 71. | Number of inspection platforms which will be installed | 2 | 2 |
| 72. | Number of Customs Houses where passenger halls will be modernized | 2 | 3 |
| 73. | Number of Customs House which will be established | 2 | 2 |
| 74. | Number of buildings constructed for staff housing | 1 | 3 |
| 75. | Number of Customs Houses provided with public safety instrument | 3 | 3 |
| 76. | Number of advanced computerized system used in the Headquarter and Customs Houses | 7 | 8 |
| 77. | Number of legislations which will be issued | 3 | 4 |
| 78. | Number of legislations which will be amended | 10 | 10 |
| 79. | Number of restructured Directorates and Customs House | 8 | 12 |
| 80. | Number of agreements signed in the area of administrative cooperation | 1 | 3 |
| 81. | Number of Customs House which have obtained the ISO certificate | 3 | 0 |
| 82. | Effect of public media campaigns on public awareness | 70 % | 82 % |
| 83. | Number of services marketed in the media including advance payment services | 2 | 37 |
| 84. | Number of meetings with the private sector | 2 | 70 |
| 85. | Number of studies of service recipients satisfaction (clients) | 2 | 2 |
| 86. | Ratio of client satisfaction as compared to the service provided | 71.5 % | 80 % |
| 87. | Number of paper and electronic educational publications | 5 | 8 |
| 88. | Number of employees satisfaction studies | 2 | 2 |
| 89. | The positive ratio of the employees` satisfaction with the actual status of their job | 77 % | 78 % |
| 90. | Number of Hajj and Umrah missions | 80 | 96 |
| 91. | Number of activities that have been implemented by Customs | 50 | 92 |
| 92. | Number of beneficiaries of employees` offspring` scholarship | 40 | 40 |
| 93. | Value of the work performed for the maintenance of staff housing complex | 160000 | 233000 |
| 94. | Number of visits and meetings with employees in their workplaces | 25 | 59 |
| 95. | Fulfillment of Customs Academy establishment procedures | 90 % | 50 % |
| 96. | Number of students enrolled in the academy after signing the agreement | 150 | 0 |

Customs Department has worked on re-evaluation of the executive plan of the year 2010 in light of 2009 accomplishments, and making risk analysis for the programs and projects during the year 2009, to avoid any short comings in the future.



Chapter 5

Achievements in the Field of Intellectual Property Protection





Intellectual Property

Intellectual Property defined as the rights granted from the community to the individuals and organizations mainly for the creative works, such as inventions, literary and artistic works, symbols, names and designs. It gives the creator the right to prevent others from using his inventions without the owner's authorization for a limited period of time.

Intellectual Property Issues are governed by many legislations according to Jordan Legal System; it regulates The Protection of Author's right (Copyright) No. (22) for the year 1992, and its amendments for the years 1998, 1999, and 2001, Compilations Deposit System No. (4) for the year 1994, and The Legal Protection of Literary and Artistic Compilations which protect computer programs and databases. So the audible and visual compilation control law No.(8) for the year 1998 and control system of audible and visual compilation No.(19) for the year 1998 issued by the law are related directly to the literary and artistic property. According to Jordan's endeavor to complete the intellectual property legislation and to implement the requirements of WTO membership, Jordan enacted the design protection law for integrated circuits No.(10) for 2000, and so the rules of protection in Jordanian Law were extended to cover software, database, and integrated circuits among the information categories.

Article (41) in the Customs Law states: "It is prohibited to import goods, which violate any of the intellectual property rights under protection in terms of any legislation in force". Customs Department spares no effort to protect national economy from all kinds of smuggling and forgery, especially in the area of intellectual property rights protection. The reason for that is its belief in the importance of providing citizens with protection, and the necessity for implementing the agreements that Jordan has signed with international bodies, such as the TRIPS Agreement. Customs Department has signed a number of memorandums of understanding with many companies in the area of intellectual property protection. The following are among these agreements, during the year 2009, are the following:

1. Philip Morris Company
2. JT International

Customs Department is studying to sign a memorandum of understanding with Unilever and Sanofi Aventis Companies.

Customs Department is working to develop and update procedures in the intellectual property rights section where a method has been used to notify legal representative of trademarks holders via electronic mail, including sending sample photos.

In the context of the continued qualification of the human cadres in this area, a number of workshops on intellectual property rights have been held in collaboration with the private sector and Arab Organizations concerned with intellectual property rights. The following table shows those workshops and the authorities responsible for implementing them during the year 2009:

| No. | Title of the Workshop | Supervisor`s Company | Venue |
|-----|---|-----------------------------|--|
| 1 | Similarities and differences between the original and counterfeit goods | Dabur India Limited | The premises of Talal Abue Ghazaleh |
| 2. | Workshop and technical training of trademarks | Lacoste | The Headquarters of the Jordanian Association for the Protection of Creativity and the Fight Against Counterfeiting and Piracy |
| 3. | Workshop and technical training on counterfeit goods of trademarks | Glaxo Group Limited | The Headquarters of the Jordanian Association for the Protection of Creativity and the Fight Against Counterfeiting and Piracy |
| 4. | Training on the detection of forgery and counterfeit | Philip Morris International | Intercontinental Hotel (Amman-Aqaba) |

Jordan Customs Department has made a great progress in the prosecutions of cases of intellectual property rights infringement in line with global trend in this area. The number of cases that were seized in 2009 was 87.

The following table shows intellectual property rights infringement cases brought before the court concerning brands with the largest number of seizures.

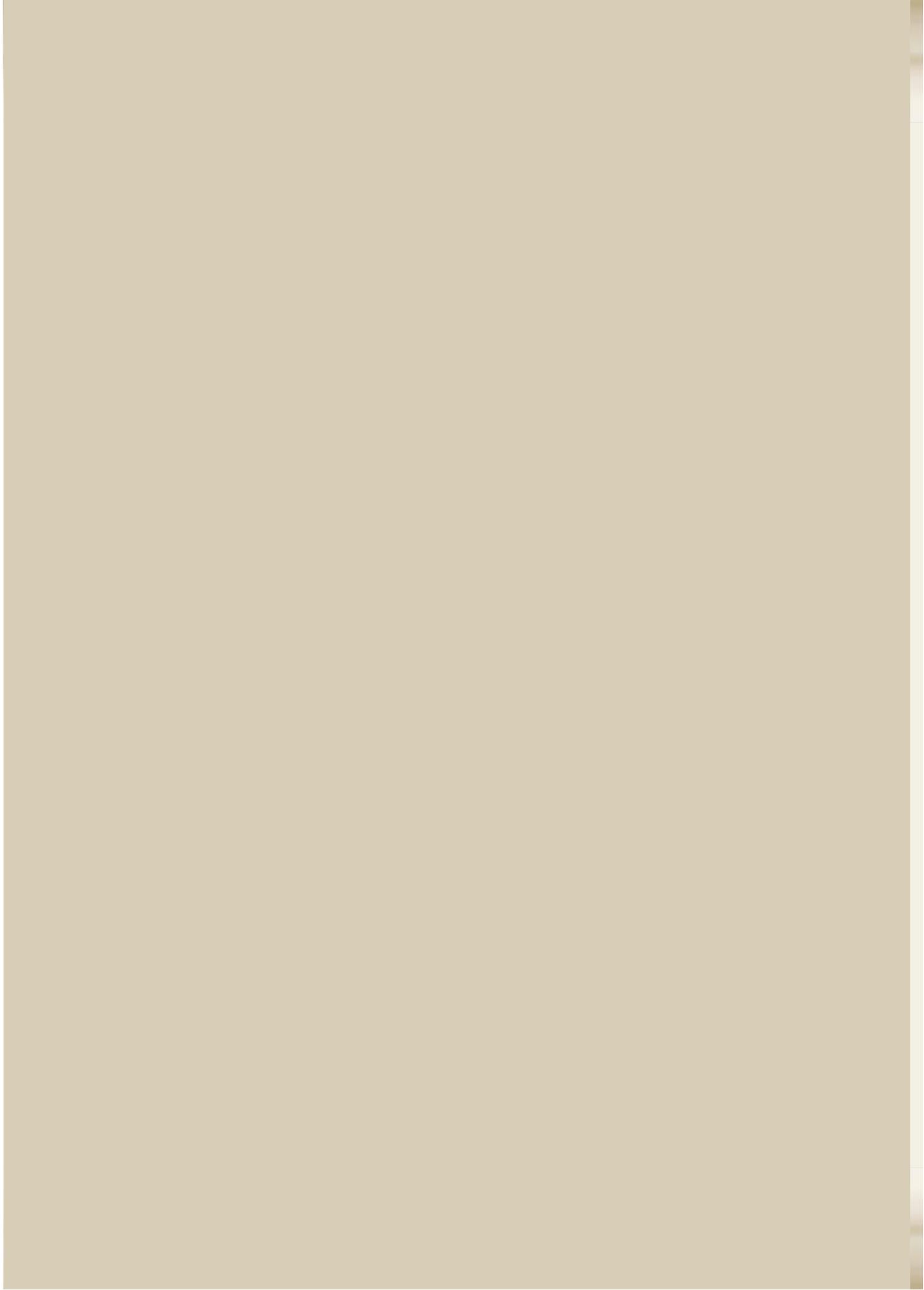
| Brand | Number of Cases |
|-------------|-----------------|
| NOKIA | 10 |
| LACOSTE | 6 |
| ADIDAS | 8 |
| LOREAL | 4 |
| BRAUN | 4 |
| PHILIPS | 3 |
| JOHANSON | 3 |
| AMLA | 3 |
| VATIKA | 3 |
| WINSTON | 3 |
| DOVE | 3 |
| OLAY | 2 |
| FAIR&LOVELY | 2 |
| VASELINE | 2 |
| DERMACOL | 2 |
| LM | 2 |



The following trademarks were seized with an average of one case:

(FAG,MK,VC,LUX,KOLESTON,KALE,PANASONIC,XXL,NESCAFE,CAILIS, ZARA,BR OTHER,GLOOR,CHANEL,HASHMI,KAJAL,BMW,LASER,ABRO, WAVES,MISSBEAUTY,BOSCH,CLEAN&CLEAR,GITANES,OSRAM , MERCEDES,PANDOL,VIAGRA,REEB OK,TRAMONTINA,GIVENCHY,PARLIAMENT,SUNSILK,ONE MEN SHEW,MAXFACTORE,NIVEA,IDEAL) .

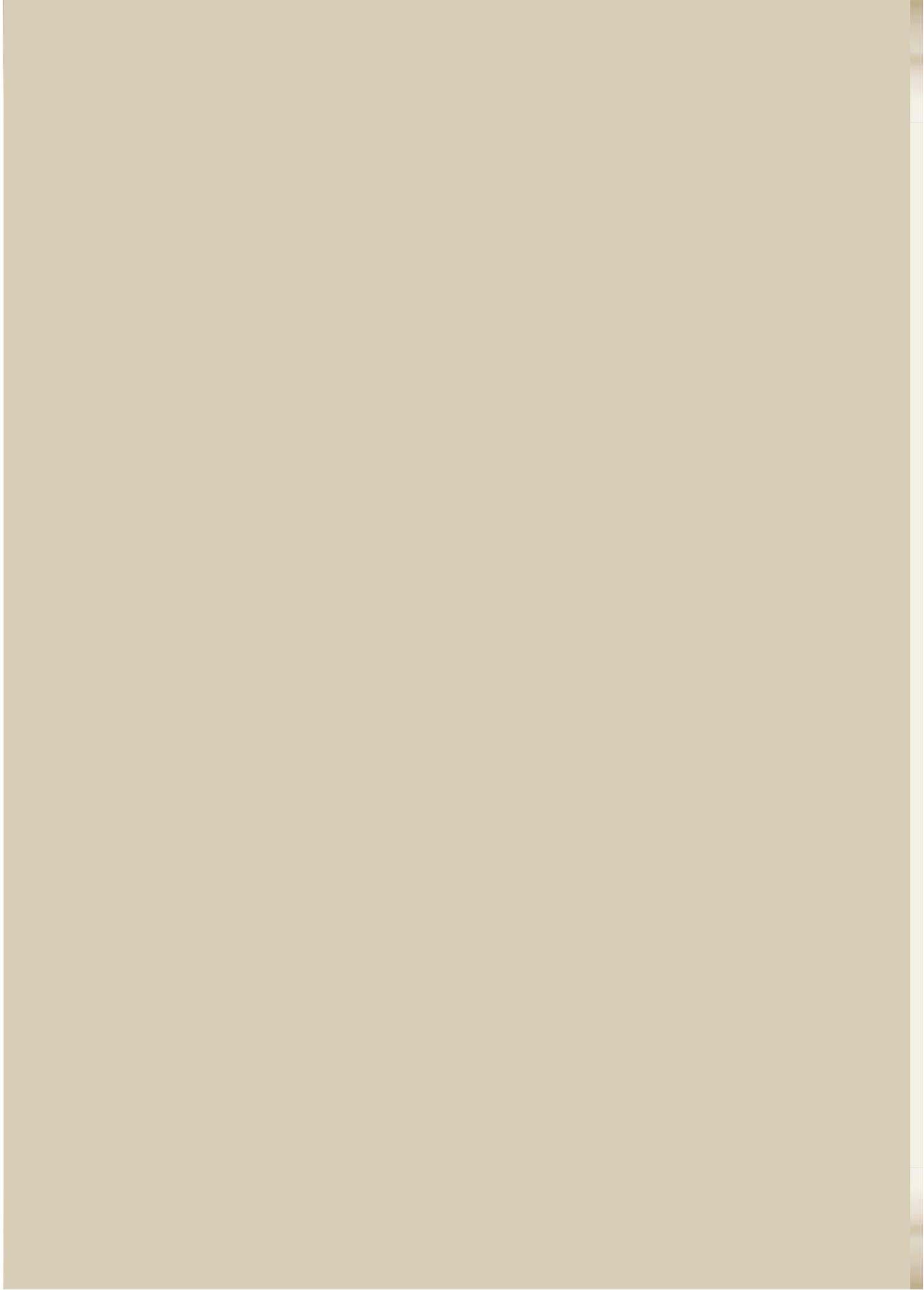
In addition to referring a number of goods related to author`s right (copyright) infringement to the National Library, including seizer of 266 decoding devices ”Dream Box” ,and DVD and CD taps .





Chapter 6

Achievements in the field
of Combating Smuggling





Introduction:

Smuggling is considered as a serious economic and social threat to the Kingdom. Therefore, specific texts of the Customs law identify smuggling actions, similar deeds, customs violations, and penalties applicable on those actions. The law also gives powers to customs officers to combat smuggling since the issuance of the first legislation regulating the work of the department in (1926).

Cases of smuggling have recently increased for the following reasons:

1. Unstable security in some of the neighboring countries.
2. The absence of enforcement activities in these countries and poor border controls.
3. These countries have become a key transit point for smuggling, especially drugs (from Afghanistan to these countries and then to Jordan and from there to neighboring countries and European and Asian countries).
4. The vast expansion of the borders of the Kingdom which requires large numbers of monitoring patrols.
5. Jordan's geographical location made it a major route for drug smuggling to neighboring countries.

Methods and Strategies which the Customs Department has carried out to face and combat all kinds of smuggling in addition to the tasks and duties performed by the enforcement directorate. These include:

1. Developing legal legislations.
2. Training of human cadres in terms of:
 - smuggling methods and smuggling operations.
 - Sending employees to special operations training courses.
3. Using the latest information technology:
 - Using scanning systems to detect any smuggling attempts.
 - Using monitoring and controlling cameras at all customs houses.
4. Awareness and publications media:
 - Media campaign on customs seizures of smuggled goods and drugs.
 - Awareness about ways and methods of smuggling.
5. Bilateral agreements on exchange of information related to smuggling between countries in terms of:
 - Awareness of drugs.
 - Types.
 - Sources.

- Methods of smuggling.
- 6. Increased participation in planning processes between the different security agencies.
- 7. Including the above points in the strategic plan of the department for the purposes of control and adherence to implementation.
- 8. Establishment of the Customs Intelligence Directorate which takes care of increasing intelligence capacity in order to improve the quality of intelligence information so as to assist in the effective risk management in the customs work.

Customs department Objectives in the field of combating smuggling:

- Monitoring the international borders of the kingdom to prevent and control any smuggling operations carried out by persons or vehicles and monitoring markets, shops and public squares, and free zones walls and qualified industrial zones.
- Searching, investigating and gathering information about suspects or storage of smuggled goods or vehicles which are used in smuggling, and seizing and controlling these.
- Preparing closure-and-inspection points in the areas that are deemed dangerous in smuggling, and on the external roads which connect between the international borders and inner cities, or within inner roads in the cities.
- Seizing smuggled items that enter the country and collecting payable customs duties, fees and fines.
- Searching for persons involved in smuggling cases and bringing suspects to complete investigation or collection procedures in the relevant directorates or customs houses, in particular, the Customs Court.
- Controlling foreign cars entering the country under temporary admission licenses, and controlling cars that have exceeded the legal period of time allowed.
- Supporting the customs houses and directorates with more employees to assist them in doing their job, especially during the summer times, Hajj and Umrah...etc.
- Controlling commercial convoys in transit specialized in the transportation of goods.
- Continuous coordination with Rilo Office in Riyadh to exchange information on new methods of smuggling and seizures.
- Participating and coordinating with other security agencies, governmental departments and public and private institutions and all relevant parties in the field of public security to combat smuggling and enforce applicable legislations in this field.
- Participating in studies in the field of combating smuggling , border management and terrorism issues.
- Inspecting passengers' vehicles and trucks with (X-RAY) devices.

The development and modernization of border procedures are in line with development of border procedures of the neighboring countries to have the highest degree of national and economic security. Therefore, the Customs Department has studied causes of smuggling and risks arising from smuggling operations:



Causes of smuggling: Causes of smuggling vary depending on the internal circumstances of the state. The most important causes include the following:

1. Higher customs duties and other fees and taxes compared with fees and taxes rates in the neighboring countries.
2. The desire, on part of the smugglers, to achieve huge financial profits through smuggling of prohibited or restricted goods.
3. Prohibiting the importation of some goods or restricting such importation to some given entities.

Risks of smuggling: smuggling has several risks which vary depending on its type and size. The most important of these risks are:

1. Entry of harmful items to human health and the internal security.
2. Decrease of revenues of fees and taxes payable on smuggled goods.
3. Reduction in the state revenues of fees and taxes payable on imported goods similar to the smuggled goods.
4. Smuggled goods compete with local goods and widely affect their sales which will be reflected negatively on the labor in the local factories. Therefore, some factories have ceased or reduced their production so that they are forced to fire some employees which will lead to increased rates of unemployment.
5. Negative effect on investment projects and the migration of capitals.

Smuggling Methods:

1. Smuggled goods which enter through the land borders of neighboring countries where there are no customs houses.
2. Smuggled goods which enter through customs houses by various ways including the following:
 - Keeping smuggled goods on secret hidden compartments in vehicles.
 - Using incorrect data and cards
 - Putting smuggled goods inside imported legal goods.
 - Submission of incorrect documents and data.

Hidden compartments of smuggled goods:

Smuggling is carried out either without passing through border customs houses through international land borders with neighboring countries or through border customs houses. If it is done outside border customs houses, goods are placed in means of transportation except for specific prohibited goods which are placed in secret hidden compartments inside modes of transport so as not to be detected.

But if the smuggling process is done through border centers, smugglers use the following method:

- **With regard to specific prohibited goods (drugs and weapons) they are placed in secret hidden compartments, such as:**
 - Inside the internal sides of the freezers carrying the goods and in the bottom floor.
 - Fuel tanks.
 - Vehicles' chassis.
 - Seats and doors...etc.
 - Tires.
 - Baggage.
 - Shoes.

As for prohibited or restricted goods, or goods allowed to be imported, they are either placed in the same hidden compartments mentioned above, or smuggled by one of the following means:

- Preparing false and forged declarations and documents for smuggled goods.
- Placing smuggled goods inside the coming legal goods.
- Preparing transit declarations for goods, and then smuggling these goods to the local market or settling these declarations by forgery.

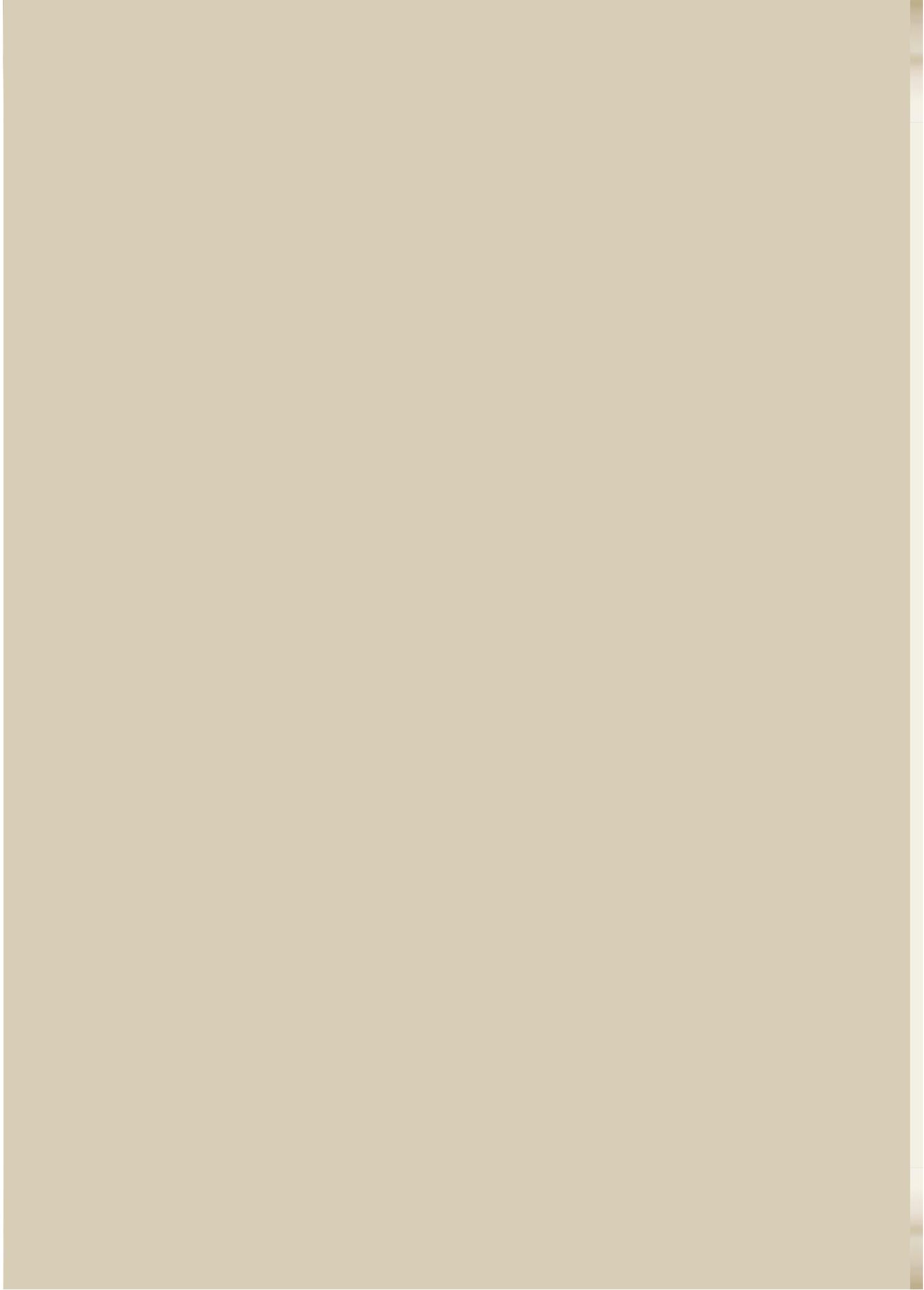
The following table shows seizures of all kinds of drugs carried out by border customs houses and enforcement directorate for 2008-2009:

| Substance | 2008 | 2009 | Increase | percentage |
|--------------------|--------|--------|----------|------------|
| All types of drugs | Kg 361 | 651 Kg | Kg 290 | 180% |



Chapter 7

Achievements in the field of information and
communication Technology





The customs department continues its strive in the field of modernization and development in order to stay in line with worldwide developments in the field of customs. The Customs department also believes in achieving excellence through creating an integrated system of advanced methodologies applied in accordance with the best international practices. The year 2009 witnessed the implementation of pioneering projects which mainly aim at achieving progress in launching the E- customs in order to reduce risks on the local community in general and on the service recipients, in particular. These development projects include the following:

1. ASYCUDA World System:

A global computerized customs system, which aims at facilitating and simplifying customs procedures for service recipients. It is operating centrally through the internet so that the service recipient can prepare a customs declaration from anywhere in the world through access to the electronic customs department web site on the Internet www.customs.gov.jo. In addition, such system will contribute effectively to the transformation of Customs department to E-customs in order to achieve the concept of E-government.

The application of ASYCUDA World System:

- This system was first introduced in Jordan in May 2007 in King Abdullah II Bin Al- Hussein Industrial Estate/ Sahab –as a leading customs house. Subsequently, the application was expanded to include three other customs houses in the same year: Aqaba Special Economic Zone (ASEZA), Al-Raqem customs house and Al-Hassan Industrial city / Irbid.
- In 2008 the application of the system was installed at nine other customs houses: King Hussein Bridge customs house , Cyber city customs house / Irbid, Dhulail customs house, Al-Hussein Bin Abdullah II customs house / Karak, / Zarqa Free Zone customs house (goods), Zarqa Free Zone customs house (vehicles), Jordan Valley Crossing Point customs house / Sheikh Hussein, Al-Karamah customs house and Amman post office customs house.
- In 2009 the application of the system was installed at seven other customs houses: Liners customs directorate/ Aqaba, Queen Alia International Airport customs house (Clearance), Aqaba customs house, Amman customs house (Public warehouses / Bonded), Quaira customs house / Aqaba and Jaber customs house.

The total number of customs houses applying this system amounts to (20) Centers. Some improvements have been introduced to this system such as the use of Barcode in most procedures (reception section, clearance units, Accounting section.). It's worth noting here how effective customs department's role was in qualifying its staff and clearance companies staff on the use of this computerized system as more than (1200) recipients were trained.

2. E-tracking Project: (Transit Tracking & Facilitation System)

The Customs Department has implemented an electronic system for tracking and management of transit trucks via satellite in order to facilitate and streamline the movement of transit trade passing through the kingdom on the one hand, and keeping those trucks under control during their transit through the kingdom on the other hand. Experimental implementation of the system started at the beginning of 2009 on transit trucks passing through the Kingdom so that daily convoys of transit trucks, which were controlled by effective escort system, are now replaced. Electronic tracking devices (GPS) are fixed on every truck and then the truck will begin moving. Such devices are operating through modern and advanced communication systems which make possible controlling and tracing each truck alive and directly since its exit from the departure point until arrival at destination. Such system can detect any violations that occur during the tracking process such as: any deviation of the truck from its appointed track, tampering with goods and electronic seals, and stopping in places which are not allowed ...etc. Jaber customs house and Omari customs house have been chosen as pilot experimental customs houses for applying this system due to the fact that they are the largest in terms of the volume of transit traffic in order to identify problems that may arise upon application of the system. Further, the Customs department was the first customs administration in the world to apply such a system.

The experimental application has been also expanded to include the following seven customs houses: Zarqa free zone customs house, Amman customs house, Al-Mudawarah customs house, Al-Karamah customs house King Abdullah II Ibn Al Hussein Industrial Estate customs house / Sahab, Jordanian-Syrian free zone customs house and Aqaba customs house. The actual application of the system was successfully started in mid-2009. The experimental application of the system will be also expanded to cover all other border customs houses and the industrial cities.

The most important features of the project:

The Electronic tracking project has contributed to the following:

1. Facilitating and expediting movement of transit trade passing through the kingdom. Studies have shown that the



average time spent by trucks to go from Jaber customs house to Omari customs house was only three and a half hours, where as it used to be seven hours before. The journey for trucks from Aqaba Customs house to Amman Customs house usually needed 12 -24 hours before the adoption of this system. It now costs only seven and a half hours.



2. Solving the problem of truck congestion in the customs houses yards as there are no longer any reasons for trucks to wait for convoys there. The average time for a truck waiting in the customs house became less than half an hour. Before it used to be 6 to 24 hours.
3. Reducing inspection of goods or referring them to the red lane which will reduce possibilities of damage to the goods, yards' congestion and reduce costs of loading and unloading for owners of the goods.
4. The truck is not subject to moving within a convoy which is controlled by effective escort system which will speed up the movement of trucks through the kingdom. Therefore, the number of loads per truck has increased every week. This project also contributed to prevent convoys' traffic jams along the roads. Thus, roads have become safer and accidents are reduced on these roads...etc.
5. Increasing the efficiency of controlling and tracking transit trucks as the electronic tracking via satellite system is designed for each truck alone and not for the entire convoy. This reduces smuggling and movement of goods on roads. The journey will be under control on designated routes upon departure from the entry point until arrival at the exit point.
6. Increase of control and administration of the fleet of enforcement and escort directorates' vehicles. This is performed through a control room in the enforcement and the escort directorates through which enforcement and escort operations are controlled.
7. In a customer satisfaction questionnaire, 87.7% of truck drivers expressed their satisfaction with the E-tracking system.
8. The project will support the treasury with financial resources as an amount of (20) dinars will be levied for providing the electronic tracking service for every truck.

3. E-Gates Project:

This project aims at controlling the entry and exit of trucks at customs houses so as to prevent trucks to get out illegally from customs houses. It is facilitating the movement and flow of trucks at the customs houses and reducing their time release. This system does not allow the exit of trucks from customs house unless they have fully completed their customs procedures. Further, inspection cards are issued by this system and the inspector is selected randomly. The first phase of the project included the installation of the system at the following (6) customs houses: Amman, Jaber, Aqaba, Omari, Mudawarah and Zarqa Free Zone. The application of the system was completed at four customs houses up to 31/12/2009. It is expected to include the rest of the targeted customs houses in the first quarter of 2010.

The Customs Department will implement the second phase of the project in 2010. It aims at reducing the reliance on E-gates employees. Ground photographic devices will be purchased to take three-dimensional photos of the bottom of the trucks. In addition, it is necessary to take a picture of the panel of the truck and to attach it with the customs declaration when the truck enters the customs house. This truck is also given an inspection card. When it moves to the exit gate, it is re-photographed. The original picture and the truck number shall be compared with all systems operating in the customs house. In case of conformity and completion of the customs transaction cycle, the gate is automatically opened and it closes when this truck goes out the gate.

The objectives of the project:

- Simplifying procedures and reducing the time of exit for trucks.
- Reducing human intervention in the entry and exit of trucks so as to allow trucks to get out of the gate electronically without any human intervention provided that their declarations were duly completed.
- Increasing control on the movement of entry and exit of trucks from the customs houses.
- Reducing smuggling processes.

4. Single window project:

Selection criteria for all governmental departments working at customs houses have been put together through applying this system. It aims at facilitating, simplifying and speeding up the procession of customs declarations by all relevant parties and other governmental institutions including the customs department. This project was applied at seven customs houses in 2009. The number of customs houses applying this system, since it started in 2008, amounted to seven customs houses. The concept of blue lane for customs declarations, which have pledges from Aqaba customs house, as a pilot project, has been also introduced and so paper pledges are cancelled by the customs department. During 2010, the Customs department looks forward to completing the application of this system at least (7) other customs houses.



| 2008 | 2009 |
|---|---|
| Name of Customs House | Name of Customs House |
| King Abdullah II bin Al Hussein industrial estate Customs house/Sahab | Amman Customs house |
| | Aqaba Customs house |
| | Airport/ Clearance Customs house |
| | Liners terminal Customs house/Aqaba |
| | Zarqa free Zone Customs house |
| | Al-Hassan industrial city Customs house |
| | Jaber Customs house |

5. E-Customs project (customer service unit):

The customs department proposed to be the first Jordanian governmental department and the first Arab customs administration to actually apply the e-concepts in its work. It has recently implemented a series of projects in this regard. The customs department is aware that the biggest challenge to its success is changing from the traditional way of doing business to the new electronic technology.

Therefore, the Customs department has started implementation of the electronic transactions project which will enable the service recipients to electronically receive decisions of the department through one of the available responses in the system (e-mail, the website on the internet, voice query system (IVR), short messages (SMS), or traditionally waiting in a hall dedicated to serve the public). At this stage, the system will also enable the service recipient to electronically receive the decision of the department concerning his transaction at four major customs houses without going to the headquarters and bearing the cost of travel. This project evaluates and monitors the performance of the employees through customizing a fixed time for processing each transaction transparently. This system also notifies the employees, who are in the higher administrative level, of the existence of delays in processing the transactions. This will enable them to take the appropriate measure. This system is expected to be activated in the first half of 2010.

Features of this project:

At the first phase, the total of (53) customs procedures have been recently automated for (10) targeted directorates. In addition, the correspondences of (4) customs houses have been also automated. These include: Amman customs house, Airport customs house /clearance, Jaber customs house and Zarqa free zone customs house. Manual correspondences between those customs houses and the department will be cancelled. This system will significantly change the quality and mechanisms of the implementation of customs procedures. The customs department will become in the near future the first governmental institution applying the fully automated customer service unit. Upon completion of all its phases, this project aspires to reach a paperless-procedure in its dealings and to be directly dependent on the implementation of procedures

electronically.

The customs department aspires during the implementation of the second phase of the project, to achieve the following:

- Automating all procedures of other directorates which were not targeted in the first phase which are related to the service recipients.
- Automating internal procedures which include exchange of internal memos and daily work between directorates so that all transactions become electronic. There shall be no need to manually pass memos between offices. Thus, customs department will become free of papers (a paperless procedure).

The objectives of the project:

1. Automating customs processes and procedures.
2. Simplifying and facilitating procedures.
3. Facilitating and expediting customs transactions for the service recipients.
4. Documenting all processes and procedures electronically and ease of reference to them.
5. Transferring to a department free of papers (a paperless- procedure) as far as possible.
6. Transferring to a department free of clients as far as possible.
7. Controlling the performance of employees and speeding up the service delivery.
8. Ensuring a fixed time for processing every transaction .

6. Decision-Support Project and Information Bank (BI):

This project aims at establishing an electronic data center that contains all major customs databases (Asycuda system database, risks database, cases database and public revenue database) at the first phase. In addition, it aims at establishing decision support systems based on this information so as to get the required information at any time by the relevant employee. Such a system can learn from the employees' ways of thinking which are saved in the system and which are called "smart systems". Any employee can benefit from them (knowledge transfer) through saving the thinking patterns of the employee and the ongoing modifications to improve any standard. Moreover, forecast future reports can be prepared through this system based on the inputs during the previous years. This system was applied at the Financial Affairs Directorate and the application will be completed in the rest of the targeted directorates in the first quarter of 2010.

The second phase of the project includes completing other databases in the Customs Department:

- Establishment of a specialized unit for the quality of information (data quality center) that aims at ensuring quality of data, filtering and validating these data. This requires special tools and equipment to help the unit to accomplish the enormous quantity of data by the easiest ways.
- Including all available databases in the department which were not targeted in the first phase of the project. These include many computerized systems so that this system can prepare predictive reports which will help employees working in these directorates to



effectively do their jobs.

- Preparing a series of predictive reports and connecting them with information available in the databases of the department so as to get real-life results and enable decision-makers to prepare competent plans to face any potential risks.
- Preparing accurate reports concerning global trade and the trade balance.

Objectives of the project:

1. Creating a bank of information for The Customs department about trade movements and the trade balance so as the department becomes the most trusted and accurate source of information for decision-makers.
2. Indexation of databases for all customs systems.
3. Saving data in a way to be accessible and to make use of them in a public database.
4. Enabling decision- makers to usefully get information and at the proper time.
5. Getting reports about trade movement between Jordan and other countries.
6. Predicting future business movements which will enable decision- makers to predict their future needs.
7. Predicting risks for the purposes of developing policies to address and avoid them as much as possible.

7. Television monitoring system:

The customs department started applying television monitoring system at the customs houses in 1999. It was applied at (3) customs houses through installing (9) monitoring cameras. Then, the department developed and expanded this system as it covers now (22) customs houses with (400) monitoring cameras being used. A central control room was established in the headquarters and connected with the customs houses by using fast communication lines. This system contributed to the control of customs work and trade movement facilitation through reducing the congestion of trucks in the customs yards, preserving the public and private properties, and controlling the performance of the employees.

Television monitoring systems were installed in 2009 at the following customs houses: (Zarqa Free Zone, Jordanian-Syrian free zone customs house, Al Hassan Industrial City and Jordan Valley crossing point).

Expansion of the system was also started at the following customs houses (Mudawarah and Karak Industrial city). Work is currently ongoing to study the establishment of this system at the following customs houses (Omari customs house/ New cargo terminal and New passengers Airport in addition to the enforcement directorate).

8. Modern inspection devices:

Modern inspection devices such as fiber scope, radioactive isotope detectors and density detectors were introduced. A training course was conducted for the employees of the customs houses on how to use those devices. Such devices were distributed on the following customs houses: (Al-Omari, Ramtha, Jaber, Alkaramah, Jordan Valley crossing point and the enforcement directorate). These devices contributed in the discovery of smuggling operations in secret hidden compartments where smuggled goods were placed.

9. Switchboards and communications:

The Wireless Communications Agreement was signed with the Jordanian Armed Forces (TETRA) that allowed the enforcement directorate to use the wireless network of the Armed Forces so that all the employees of the enforcement directorate all over the kingdom can communicate through this network. In addition, smugglers can be controlled and customs employees who are using those devices can be located. The implementation of this agreement also contributed to the connection of the department with the leadership and control project of the Jordanian Armed Forces (C4I) as well as the connection with all military and security departments in the field of exchange of information for the benefit of the customs work.

As for other achievements in the field of technology, many computerized systems and programs were upgraded due to a regular control and continued maintenance so as to ensure continuity and quality of their work. Further, modernization of those systems should be in line with recent developments and facilitation of work procedures for the employees and for processing customs transactions in a shorter time. Most important of these upgraded systems are:

Direct electronic connection with neighboring countries:

The customs department proposed the idea of establishing a central linking line with neighboring countries that aims at exchanging information about transit traffic passing through those countries. For the purposes of applying the frameworks and standards of security and facilitation of international trade chain, information is exchanged between neighboring countries from the moment of the entry of trucks from any border point. This gives the other country an excellent opportunity for risk and crisis management through knowing the number of trucks which will pass through its entry point. This exchanged information (the customs declaration of the truck, the driver and the owner) will facilitate the movement of international transit in these countries and solve the problem of clearing these declarations.

Several meetings with technicians from both sides were held to clarify the importance of the electronic connections between those opposite border points. They discussed how to solve the problem of clearing customs declarations electronically. These efforts successfully culminated in a memorandum of understanding being signed between Jordan and Syria in July 2009. The exchange of information was formally declared in an official ceremony through signing this agreement.

Partnership with both public and private sectors and encouragement and facilitation of the exchange of information:

The Customs Department was so keen to implement the royal directions and good governance in order to achieve E-government. The Customs Department also addressed other governmental departments and private sector institutions to achieve direct electronic connections with them. Information was electronically exchanged to facilitate customs transactions with stakeholders and to ease the service delivery. During 2008 – 2009, many relevant departments and institutions were connected with the customs department and the exchange of electronic information was effectively started. The paper transactions were cancelled. These institutions are:



- **the private sector:**
 - Connection with banks in cooperation with the of financial affairs Directorate.
 - Connection with private sector companies such as the container port development company which is an investment company in the port of Aqaba
 - Connection with insurance companies

- **Public sector:**
 - Connection with Jordan Institution for Standards and Metrology.
 - Connection with Public Institution for food and medicine.
 - Connection with the Ministry of Agriculture.

The customs department intends to expand this partnership to include other organizations, companies and banks during 2010 – 2011 as well as to build bridges of trust with its partners in the customs process.

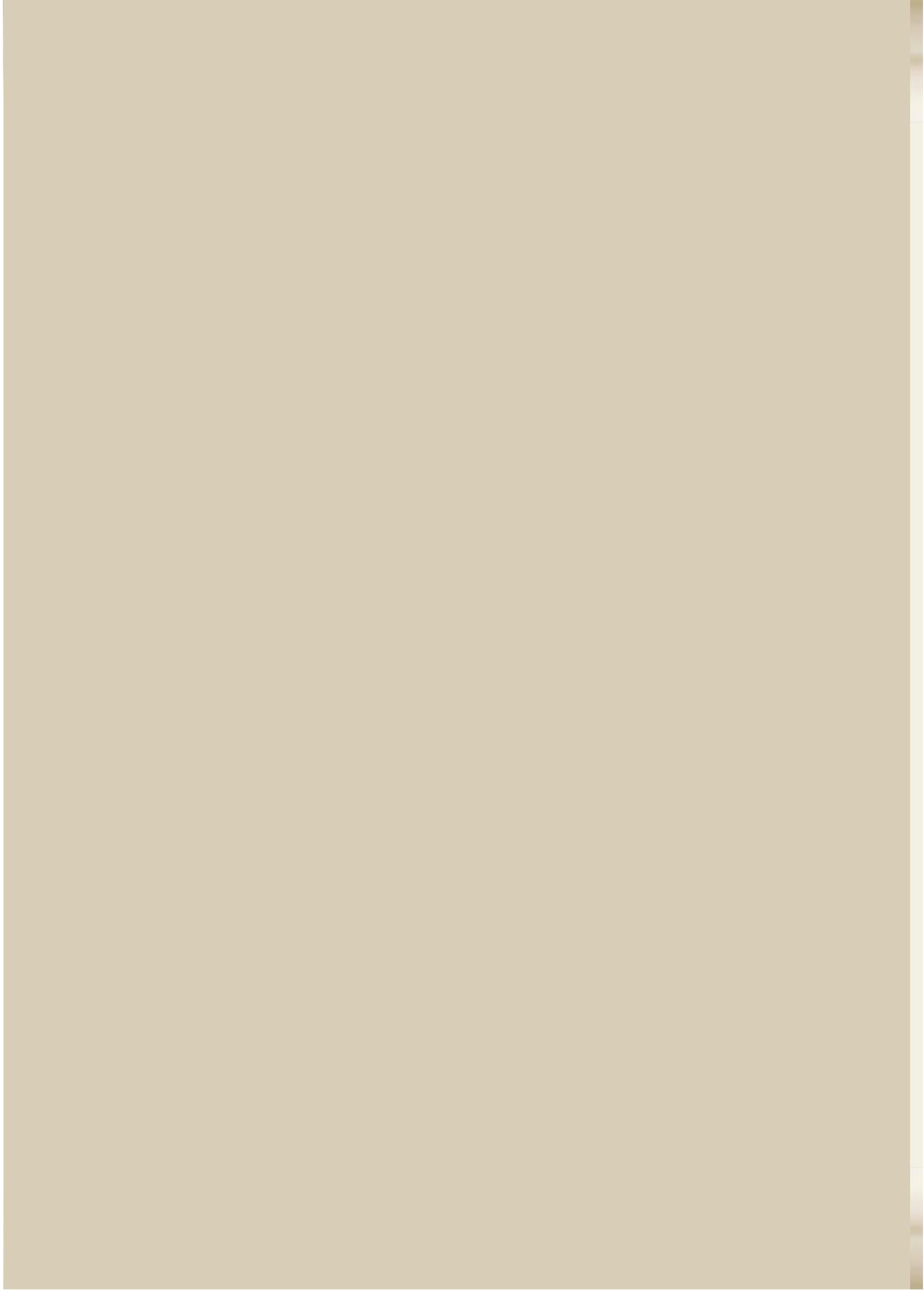
The electronic connection is ongoing with several governmental and private institutions (such as the Public Security Department, Ministry of Foreign Affairs, Free Markets, Developing zones and Royal Jordanian Airlines ,...)

Modernization of information technology infrastructures project:

In order to cope up with recent developments and rapid changes in technology, the customs department applied a large number of computerized projects. A modern main data center was also established in line with the latest modern technologies. It was equipped with all the necessary technologies to ensure security of information and internal and external communications networks. The customs department provided a secure environment from any potential penetrations. In addition, it provided advanced programs to detect any networks penetrations and to prevent access to information by illegal ways. The department also built up a Disaster Data Recovery Center for emergencies to avoid interrupting customs operations in emergency situations. The customs department also studied the status of the computer network connecting the department with other customs houses to achieve the necessary availability and stability of communications networks which the computerized systems and Asycuda world system directly depend on. Any interruptions in the networks would stop processing customs transactions at the customs houses implementing Asycuda World system as well as stopping the central computerized systems.

The Objective of the project:

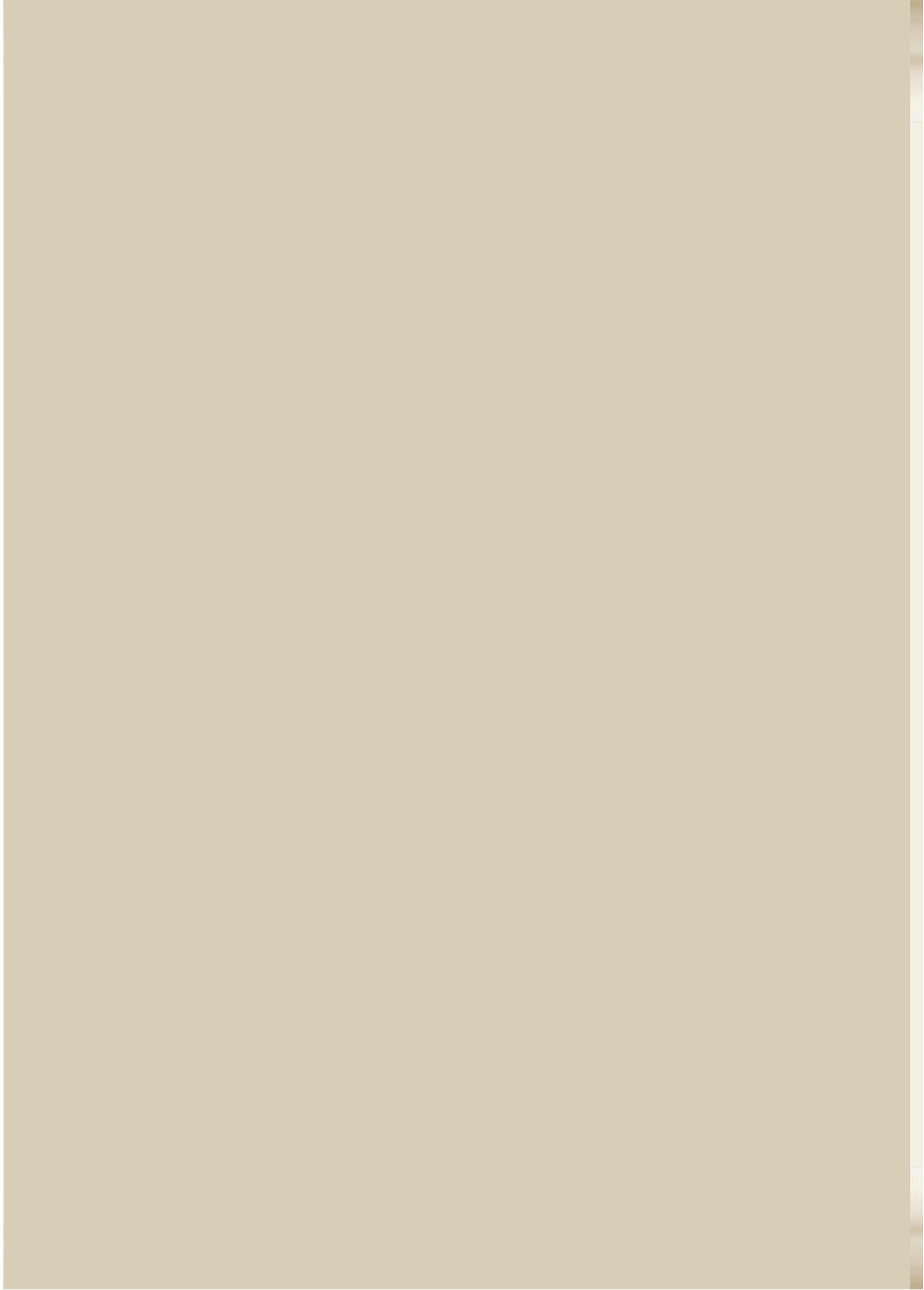
1. Increasing the efficiency of the network, its effectiveness and the speed of information transmission between the department and the customs houses.
2. Achieving high availability for the main connection network as well as providing a backup connection network in case of the occurrence of an interruption in the main network.





Chapter 8

Various Achievements and Activities

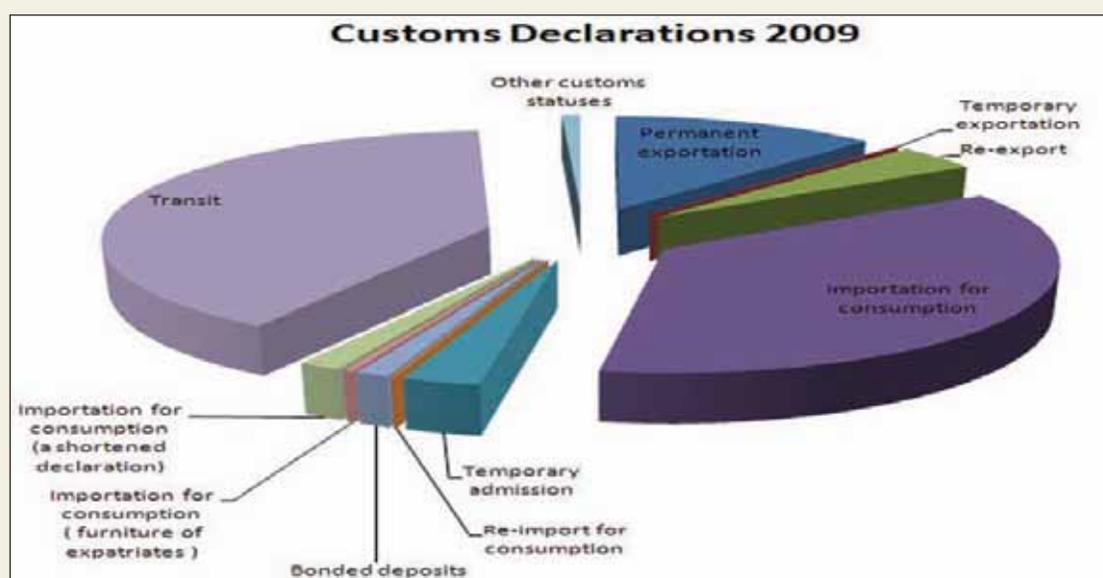


Movement of goods:

The year 2009 witnessed an increase in the goods movement which was obvious through customs declarations numbers for the various customs statuses. The transit declarations in 2009 increased more than 2008 with nearly (52043) declarations. Despite the decline in the volume of imports, the importation for consumption declarations increased in 2009 compared with 2008.

The table below illustrates statistics of customs declarations distributed by type in 2009 compared with 2008:

| Type of customs declaration | Declaration code | 2008 | 2009 |
|--|------------------|---------------|----------------|
| Permanent exportation | EX1 | 111441 | 127974 |
| Temporary exportation | EX2 | 1031 | 1394 |
| Re-export | EX3 | 42984 | 40065 |
| Importation for consumption | IM4 | 354701 | 373714 |
| Temporary admission | IM5 | 32916 | 29561 |
| Re-import for consumption | IM6 | 1003 | 1222 |
| Bonded deposits | IM7 | 15185 | 12469 |
| Importation for consumption (Expatriates' household effects) | RD4 | 3032 | 3751 |
| Importation for consumption (a summary) declaration | SD0 | 11510 | 16152 |
| Transit | TR8 | 363111 | 415154 |
| Other customs statuses | AR9 | 8264 | 9054 |
| Total | | 945178 | 1030510 |



International and Regional Cooperation:

1. The customs department has signed several agreements on mutual administrative assistance in the customs matters with many Arab and other foreign customs administrations. Such agreements had a direct impact on promoting cooperation, exchange of information and customs experiences with these administrations. Cooperation agreements were signed in this regard with the customs administrations of: Libyan, Tunisian, Syrian and Bulgarian customs administrations.
2. The customs department received grants of portable equipments to detect radioactive materials in addition to night vision devices to be used by the enforcement directorate staff from the U.S. Embassy. A technical training program was held at Jaber customs house to train the employees on using those devices. It also aimed at strengthening methods and strategies used by customs employees in detecting smuggled and prohibited goods and weapons of mass destruction.
3. A workshop was presented by the U.S. Treasury Attaché to the Customs department officers to get to know about the U.S. Customs experience in the application of declaration forms for funds transfer across the borders.
4. Cooperation with the Department of Immigration and U.S. Customs were also enhanced with regard to technical assistance and information exchange.
5. The customs department also participated in several meetings and workshops emanating from the World Customs Organization.
6. The customs department received several delegations and customs officials of Arab and international customs administrations in order to exchange experiences. Many training courses were also held with customs administrations of the member states of the region.

Cooperation with the private sector:

- Partnership Council with the private sector:

Partnership council with the private sector was established in order to address issues which will ensure a proper climate for investment. Such meetings between the customs department and the private sector are being held on a regular basis. These meetings also aim at narrowing gaps in differing views, resolving outstanding problems and proposing ideas through which work procedures will be improved. These meetings also contributed to the private sector's involvement in taking some decisions that need further consultations, building bridges of trust and cooperation which will ensure flow and facilitation of trade supply chain, and the application of WCO frameworks and standards in the adoption of the best global practices.



Partnership Council includes representatives from each of:

- Union of clearance companies and shipping agents.
- Union of auto dealers and traders of automotive parts and accessories.
- Jordanian Society for computers.
- Jordanian Businessmen Association.
- Jordanian Exporters Association.
- Federation of Chambers of Commerce.
- Amman Chamber of Industry.
- Irbid Chamber of Industry.
- Zarqa Chamber of Industry.

These meetings are chaired by the Director General of the customs department, attended by customs senior employees and the concerned directors who are involved in the works listed on the agenda of the council meetings.

The main issues of concern to both sectors are presented before the council. The following matters are being discussed:

- Potential amendments to the Customs law to be approved by the council before their issuance.
- Notifications and circulars issued by the department affecting the various sectors. The competent authority is being summoned to discuss such notifications and circulars prior to application.
- Issues and problems which a particular sector faces related to the customs department to find the appropriate solution for them.
- Presenting models of the various resolutions issued by the department to measure their compatibility with the public interest.
- Within a series of such meetings with the private sector, several meetings were held that would create an atmosphere of interaction and exchange of views between the department and the private sector such as the following meetings:
 - Jordanian-Investors Association.
 - Representatives of the Qualified Industrial Zones (QIZ) and representatives of the Moa'sil factories.
 - Investors of Al-Hassan Industrial Estate / Irbid.
 - Investors of Dhulail industrial city.
 - Jordan Society for the exporters of garments and textiles.
 - Jordanian -Indian Chemicals Company.
 - Free Zone Investors /Zarqa.

- **Meetings with the private sector:**

Approximately (70) meetings were held with various sectors that the customs department deals with under the framework of facilitation of trade movement and investment promotion.

- **Media Plan:**

The customs department undertook launching advertising and media campaigns for all projects, courses, regional workshops as well as covering all the customs work and social activities in all religious and national occasions.

It also designed an electronic newsletter issued on a monthly basis that included all customs news and activities. It is sent to more than (7500) public and private institutions and companies in the private sector.

The equivalent of (20) thousands E-mails, received through the web site of the customs department customs@customs.gov.jo, on various customs issues were answered. Such inquiries were answered after analysis and study and in a highly professional manner.

The team of "customs window" program broadcasts periodic TV episodes about the customs department on (7STAR) channel. Around (50) episodes of the program were produced so far.

- **Golden List:**

This program gives member companies distinctive advantages and incentives. The number of the listed companies in this program currently stands at (26) companies.

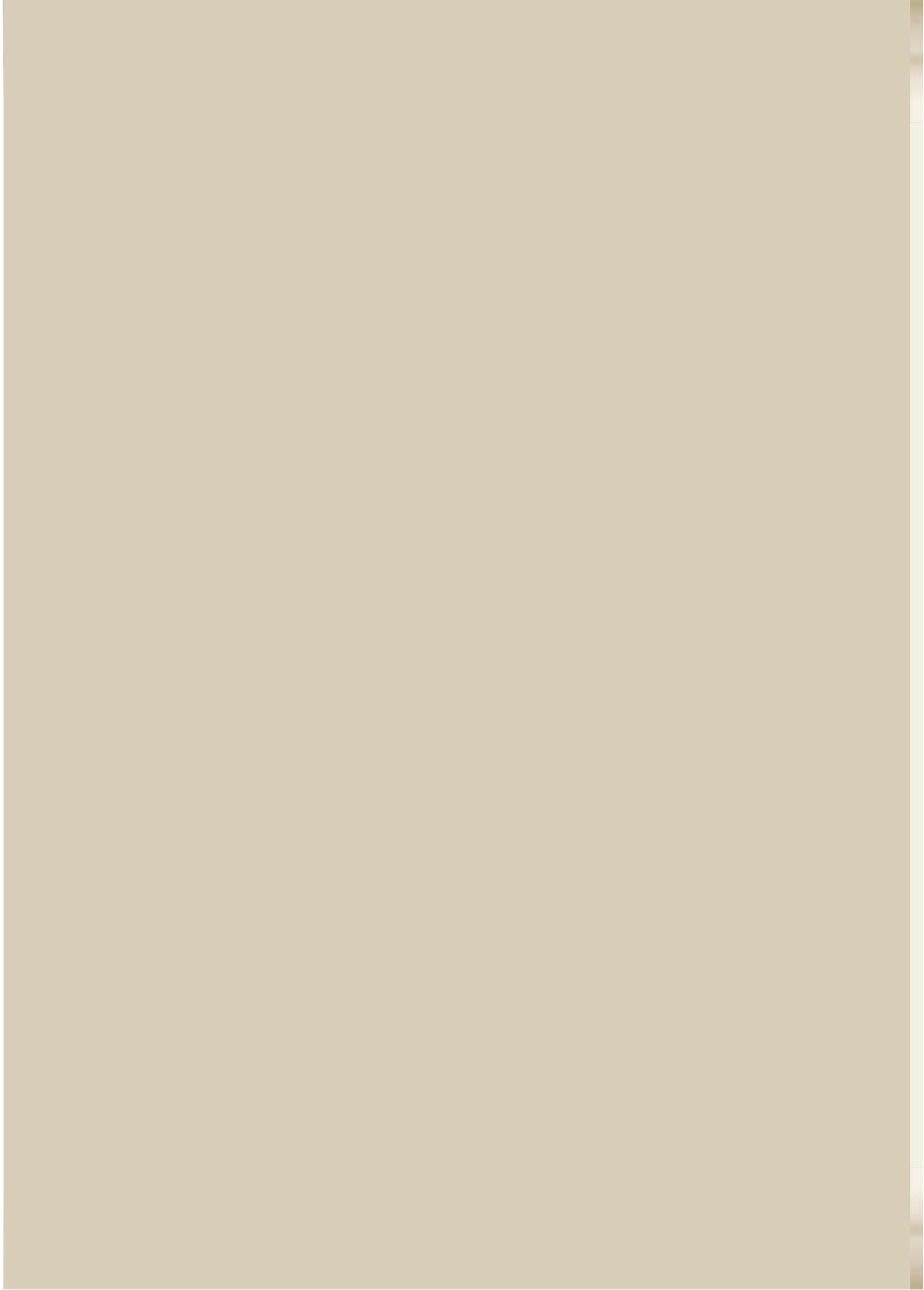
It is a privilege granted to member companies through which a package of approved customs incentives will be delivered. More advantages will be also provided to those firms by foreign countries interested in this program through granting a preferential treatment to them. This will result in a significant impact on reinforcing the competitive status of the Jordanian companies included in the golden list in the global markets. This program is based on the principle of a voluntary compliance to regulations and legislations by companies and accepting field post-auditing procedures conducted by competent customs committees. Such committees shall verify the compliance of those companies to regulations and legislation and ensure the adequacy of their internal control systems. They should also confirm that the availability of systems and security procedures are compatible with international standards. In case of compliance, the company will be approved among the golden list companies.



In 2009, the customs department included the following companies in the Golden List Program in the field of import and export:

1. Ayla for Construction Chemicals.
2. Amman Pharmaceuticals and Trade (Adatko).
3. Jordanian Wood Industries (JWICO).
4. Hassan and Hossam Abu Al-Feilat (Ocean Center for fish).
5. Gulf for Cable and Multi Industries.
6. Middle East Crown for the manufacture of packaging.
7. AL'aser for medical clothes.
8. Veterinary medicine and agricultural factories (Fapco).

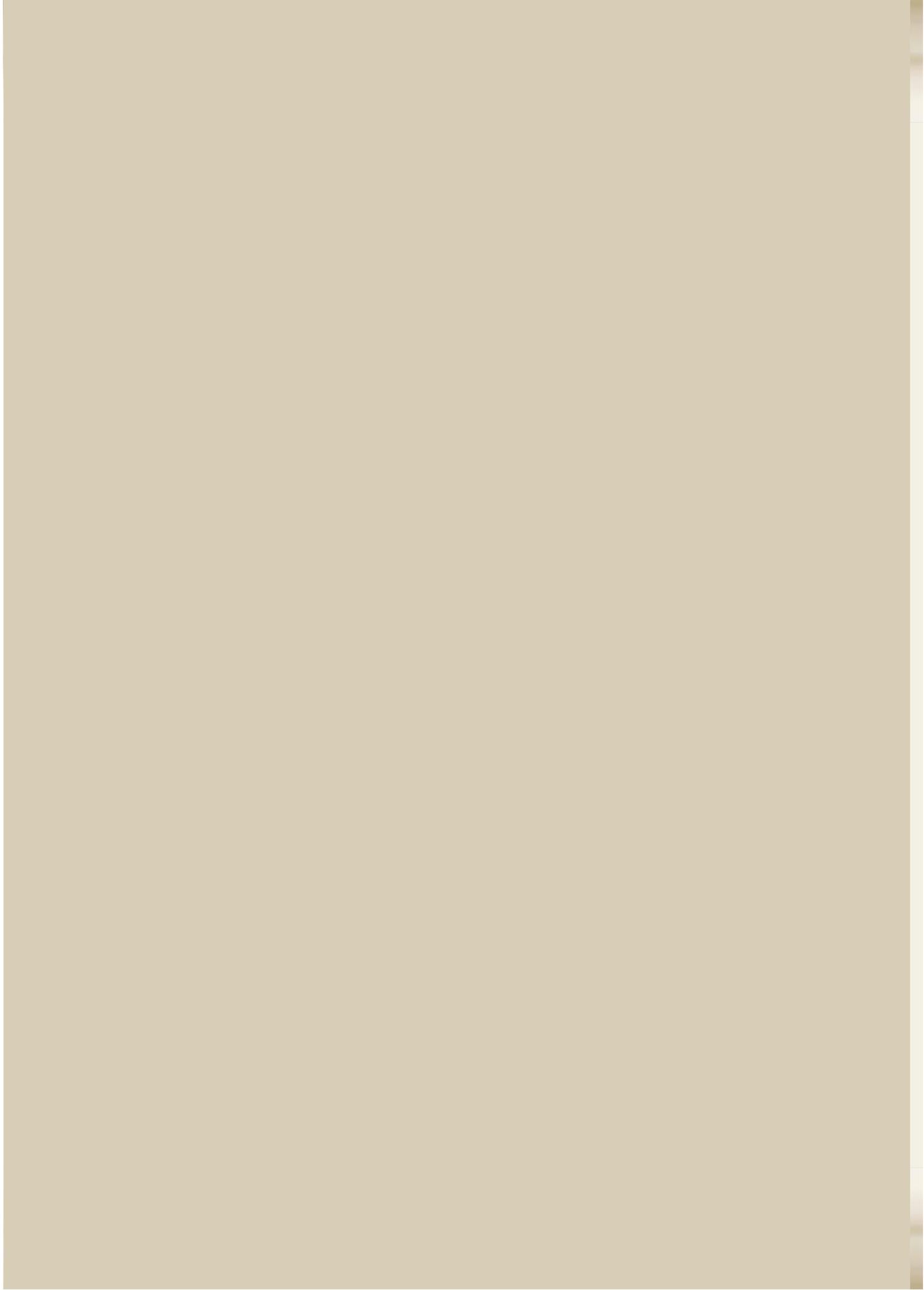
In order to benefit from customs incentives granted to the listed companies; the compliance auditing committee should complete its field audits for the company which included verification of compliance requirements related to customs and safety requirements. It should also audit work systems related to foreign trade on importation procedures. After evaluating the compliance of these companies to customs legislation and regulations as they do fulfill the requirements and criteria of the golden list program, they are categorized under low risk category.





Chapter 9

Future Aspirations





Future aspirations of the customs department in 2010

1. Continuing and expanding the application of the "customer service" system to include the automation of the procedures of all targeted directorates. There will be no need for paper-circulation among offices in order to reach an electronic- customs department (a paperless department).
2. Completing the application of Asycuda world system in 2010, as follows:
 - The application of the system at the rest of the customs houses: Omari customs house, Mudawarah customs house and Syrian-Jordanian Free Zone customs house.
 - Developing the programs of the system to include other computerized sub-systems so as to work through the ASYCUDA World system such as central guarantees, pledges, exit permits ...and other computerized customs systems operating at the customs house.
 - Activating other sub-systems that are currently available in the system such as balancing of warehouses / bonded and the transit system of (Carnet, TIR).
 - The approval of manifest and electronic documents that are authenticated from international accredited bodies.
 - An electronic connection between the official departments and institutions through this system and its database.
 - Activating and developing the capabilities of the system to apply the requirements of the electronic connection with international bodies such as the (IATA) regarding exchange of information electronically, the (ASCWA) with regard to foreign trade statistics.
 - The adoption of the electronic signature, as it is approved legally by the state, which will allow processing the customs declaration and its attachments electronically without the need for any hard copies.
 - Activating the electronic payment as it is approved by the Ministry of Finance.
3. Continuing and expanding the application of single-window at the rest of the targeted customs houses.
4. Continuing and expanding the application of electronic- gates at the rest of the targeted customs houses.
5. Continuing the engineering of procedures at all customs houses for the purpose of obtaining the ISO certificate.
6. Continuing the qualification of human resources in line with the requirements of the customs work.

7. Completing the adoption of electronic customs declarations as alternatives to paper declarations at the customs houses when the electronic transactions are being activated in the State.
8. Continuing the development of the infrastructures of the customs houses to ensure a proper workflow.
9. Developing the intelligence work to combat the illicit business activities.
10. Expanding the number of members included in the golden list program.
11. Expanding and completing the electronic communications with:
 - Ministries, departments and governmental institutions.
 - Commercial banks.
 - Customs of all neighboring countries.
12. Developing the work of intellectual property rights section to combat commercial fraud and fight fraud and counterfeiting in the Kingdom.
13. Increasing the number of the new electronic services published on the web site.
14. Continuing the improvement of the quality of the services delivery by the department in accordance with the best international standards.
15. Continuing the development and institutional capacity building of the customs department in the various fields.
16. Applying the electronic inspection system so that the inspector can record his observations through PDA devices and directly install them on the main computer of the Asycuda world system.
17. Supporting the customs houses with modern and sophisticated (X-Ray) devices for screening containers, trucks and cars in addition to other customs purposes.
18. Implementing the ambitious media plan for 2010 in order to increase awareness about the services delivered by the department, and introducing pioneering projects aiming at simplifying procedures and ensuring better communications with the service recipients.

Concluding this report, we hope that our expectations for the next year 2010 will be frameworks through which we are seeking to achieve further progress and excellence in various fields. Also, we hope to realize the next year's slogan, being, "technological development and streamlining of procedures" May Allaah help us to achieve our ambitions under the royal visions and directives of His Majesty King Abdullah II Ibn Al Hussein, may Allah protect him.