

Jordan introduces new Golden Taxpayers List

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Executive summary

Jordan's Income and Sales Tax Department (ISTD) introduced, on 26 May 2020, the *Golden Taxpayers List* for taxpayers that meet certain conditions. If a taxpayer's application is approved, the Golden Taxpayer status will provide several tax benefits.

Detailed discussion

Conditions to be eligible for Golden Taxpayer status

In order to be eligible to apply for Golden Taxpayer status, a taxpayer must have met the following conditions for the past five years:

- ▶ The taxpayer has been compliant with its biannual advance corporate income tax payments on account (if applicable).
- ▶ The taxpayer has presented audited annual financial statements that include an unqualified opinion in the auditor report.
- ▶ The taxpayer has maintained internal audit and accounting systems that are in accordance with the international standards required for its industry, and the infrastructure required to use the services provided on the electronic tax portal.

- ▶ The taxpayer has been compliant with the deadlines for the submission of its General Sales Tax (GST) returns and making the related GST payments.
- ▶ The taxpayer has been compliant with its personal income tax obligations.
- ▶ The taxpayer had no outstanding tax or customs violations and no pending cases at the tax or customs courts.

If the taxpayer meets the above conditions, the taxpayer is required to present an application on the ISTD's electronic portal detailing its compliance. The ISTD will examine the extent to which the taxpayer meets the required conditions to be granted Golden Taxpayer status. The final decision to grant the Golden Taxpayer status will be at the discretion of the Director of the ISTD.

Golden Taxpayer tax advantages

A taxpayer registered as a Golden Taxpayer will be granted the right to:

- ▶ Fast-track refund claims at the ISTD. Refunds are to be granted within 30 days provided that the taxpayer has no open tax audits and has paid all due taxes to-date.
- ▶ Fast-track tax audit procedures at the ISTD.
- ▶ Postpone the payment of input GST on purchases.

Instead of obtaining a tax clearance, a taxpayer can also use its Golden Taxpayer status to follow up with relevant Jordanian departments and ministries.

Golden Taxpayer status revocation

The golden taxpayer status can be revoked if the taxpayer meets one of the following circumstances:

- (i) The taxpayer is no longer compliant with the required conditions.
- (ii) The taxpayer is under liquidation.
- (iii) The taxpayer has requested cancellation.

Implications

Taxpayers that meet the specific conditions should consider making a formal application to the ISTD.

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