

**LAW**  
**OF THE REPUBLIC OF ARMENIA**

Adopted on 17 December 2014

**ON CUSTOMS REGULATION**

**SECTION I**

**BASIC PROVISIONS**

**CHAPTER I**

***BASIC PROVISIONS OF CUSTOMS REGULATION AND CUSTOMS AFFAIRS  
IN THE REPUBLIC OF ARMENIA***

**Article 1. Subject matter and objectives of the Law**

1. The subject matter of this Law shall be the relations pertaining to transportation of goods across the border of the Republic of Armenia, carriage, temporary storage, customs declaration, release thereof under customs control, use of goods in conformity with customs procedures, exercise of customs control, making customs payments, as well as relations between customs authorities and persons having the rights to possession and/or use and/or disposal of the mentioned goods.

2. The objectives of this Law shall be as follows:
  - (1) ensuring the implementation by the Republic of Armenia of international treaties and decisions in the field of customs regulation and customs affairs constituting the legal and contractual basis of the Eurasian Economic Union (hereinafter referred to as "the Union");
  - (2) regulation of relations pertaining to the customs affairs that are not regulated within the scope of international treaties and decisions constituting the legal and contractual basis of the Union and are subject to regulation by the internal legislation of the Republic of Armenia;
  - (3) ensuring the protection of rights and legitimate interests of the persons engaged in foreign economic activity across the state border of the Republic of Armenia;
  - (4) regulating the relations pertaining to customs procedures, customs control, making customs payments when conveying the goods across the state border of the Republic of Armenia;
  - (5) ensuring the economic security of the Republic of Armenia.
3. The relations not regulated by this Law shall be regulated within the scope of the legislation of the Union and Republic of Armenia.

**Article 2. Customs regulation and customs affairs in the Republic of Armenia**

1. The customs regulation in the Republic of Armenia shall be the definition of the procedure and rules for the customs affairs in conformity with the customs legislation of the Union and legislation of the Republic of Armenia.

2. The customs affairs in the Republic of Armenia shall include the procedure and conditions for the transportation of goods and transportation means across the customs border of the Union, the border of the Republic of Armenia, levy of customs payments, customs formalities, customs control and other measures of implementation of the customs policy.
3. Customs tariff regulation measures, prohibitions and restrictions with respect to the foreign trade of goods, provided for by international treaties and other legal acts constituting the legal and contractual basis of the Union, shall be applied in the Republic of Armenia.
4. In cases and under the procedure provided for by international treaties and other legal acts constituting the legal and contractual basis of the Union, the Republic of Armenia shall unilaterally apply specific customs tariff regulation measures, prohibitions and restrictions in accordance with the laws of the Republic of Armenia.
5. For the purpose of application by the Republic of Armenia of prohibitions and restrictions unilaterally established by the Republic of Armenia, the actions of persons may be defined by the law of the Republic of Armenia prescribing those prohibitions and restrictions.

**Article 3. Management of the customs affairs in the Republic of Armenia**

1. Management, organisation of and supervision over the customs affairs in the Republic of Armenia shall be carried out by the customs authorities of the Republic of Armenia.
2. In conformity with the customs legislation of the Republic of Armenia and/or the Union, the superior customs authority shall perform the functions ensuring the implementation of the state policy and administration in the field of customs

affairs by uniform application of the legislation of the Republic of Armenia and the Union within the territory of the Republic of Armenia.

3. The authorised body of the Government of the Republic of Armenia shall, in conformity with the legislation of the Republic of Armenia, perform the functions of development of the customs policy and administration within the scope of the powers reserved to the Republic of Armenia.

#### **Article 4. Legal regulation of relations in the field of customs affairs**

1. The relations pertaining to the transportation of goods across the customs border of the Union shall be regulated in conformity with the customs legislation of the Union, and the part not regulated by the legislation of the Union — in conformity with the legislation of the Republic of Armenia.
2. The relations pertaining to the transportation of goods across the border of the Republic of Armenia shall be regulated in compliance with this Law, international treaties concluded by the Republic of Armenia, laws and legislative acts of the Republic of Armenia.
3. The officially published treaties and decisions of the bodies of the Union, constituting the legal and contractual basis of the Union, shall be immediately effective in the Republic of Armenia, provided they do not include requirements for adoption of domestic acts for the application thereof. In cases provided for by the customs legislation of the Union, the authorised body of the Republic of Armenia shall be competent to establish the procedure for application of the acts of the customs legislation of the Union, in compliance with this Law.
4. Where the customs legislation of the Union defines provisions other than the ones provided for by this Law, the customs legislation of the Union shall prevail,

except for the cases when the legislation of the Union reserves the definition of those provisions to the internal legislation of the Republic of Armenia.

#### **Article 5. Main concepts used in the Law**

1. The following main concepts shall be used in this Law:

**import of goods into the Republic of Armenia** — the bringing of goods and transportation means into the territory of the Republic of Armenia from the territory of the member states of the Union or the territory of the states that are not members of the Union, by way actually crossing the state border;

**export of goods from the Republic of Armenia** — the actually bringing of goods and transportation means out from the territory of the Republic of Armenia into the territories of other member states of the Union or territories of the states that are not members of the Union;

**export of goods from the customs territory of the Union, including from the territory of the Republic of Armenia** — export of goods from the customs territory of the Union into the territory of the states that are not members of the Union, by way of crossing the state border of the Republic of Armenia;

**persons of the Republic of Armenia** — the Republic of Armenia, communities, citizens of the Republic of Armenia, stateless persons who permanently or predominantly reside in the Republic of Armenia, individual entrepreneurs and organisations having received state registration, record-registration in the Republic of Armenia;

**unified account** — a unified account envisaged for record-keeping of cash flows and distribution thereof between budgets of the budget system of the Republic of Armenia, as well as of the Union, in conformity with the legislation on the budget system of the Republic of Armenia;

**goods** — objects and items of all kind, other property transported across the border of the Republic of Armenia, including currency, currency assets, electric power, hydropower and other types of power, vehicles, except for the transportation means prescribed by point 7 of this part;

**transportation means** — all types of vehicles that are used for international transportation of passengers and goods across the border of the Republic of Armenia, including containers and other ancillary vehicles;

**personal property of natural persons arriving in the Republic of Armenia for permanent residence** — used items for personal use of natural persons, one car for personal use and used household goods thereof which do not have factory packing and labelling and have been acquired by the natural person before his or her arrival in the Republic of Armenia. Moreover, the car for personal use must be record-registered, for at least 6 months prior to last cancellation of the record-registration before the import into the Republic of Armenia, in the name of the natural person arriving in the Republic of Armenia for permanent residence, in the country where the person arriving in the Republic of Armenia for permanent residence last permanently resided before the day of arrival of the natural person in the Republic of Armenia for permanent residence;

**items for person use of natural persons arriving in the Republic of Armenia** — used items for personal use of natural persons which do not have factory packing and labelling and are in the accompanied baggage, the full size of which is prescribed by the Government of the Republic of Armenia;

**foreign trade of the Union** — trade the member states of the Union conduct with the states that are not members of the Union;

**mutual trade of the Union** — trade conducted between the member states of the Union;

**statistical territory** — the territory with respect to which statistical data are being collected.

2. The concepts used in this Law shall be used as defined by the customs legislation of the Union, international treaties constituting the legal and contractual basis of the Union and laws and legislative acts of the Republic of Armenia.

***(Article 5 amended by HO-81-N of 16 May 2016)***

## **CHAPTER 2**

### ***CUSTOMS AUTHORITIES, OBLIGATIONS AND LOCATIONS THEREOF***

#### **Article 6. Customs authorities**

1. The customs affairs in the Republic of Armenia shall be implemented by customs authorities that are law enforcement bodies.
2. Customs authorities of the Republic of Armenia shall be the following:
  - (1) the superior customs authority;
  - (2) customs offices of the superior customs authority, including territorial and specialised;
  - (3) customs points of the superior customs authority, including border and specialised.
3. The customs authorities shall be established, reorganised and liquidated by the Government of the Republic of Armenia. The customs authorities shall be located in places determined by the Government of the Republic of Armenia.

4. The Government of the Republic of Armenia may establish the following:
  - (1) specialised customs offices and customs points the competence of which shall be limited by the powers for fulfilment of certain functions reserved to the customs authorities by the law of the Republic of Armenia and/or customs formalities of goods of certain types transported across the customs border, including of goods transported by a certain transportation means;
  - (2) regional customs offices, including specialised ones, that operate in the regions specified by the Government of the Republic of Armenia.

**Article 7. Customs laboratories, educational institutions and other organisations established for the purpose of implementation of customs affairs**

1. For the purpose of implementing customs affairs and for expert examination and study of goods the Government of the Republic of Armenia may establish customs laboratories, scientific and research institutions, data processing centres and other organisations.
2. The Government of the Republic of Armenia may establish specialised educational institutions in order to carry out scientific and research activities, prepare and train personnel in the field of customs affairs.



## **Article 8. Principles of activities of customs authorities**

1. The customs authorities must be guided by the following principles when carrying out their activities:
  - (1) necessity of observing the lawfulness and equality of persons before the law, respecting the rights and freedoms thereof;
  - (2) necessity for integrated management of customs affairs and ensuring professional capacities of officials of the customs authorities;
  - (3) necessity for ensuring clarity of requests made by customs authorities, access to the information on the customs legislation of the Republic of Armenia and the Union and the rules for carrying out foreign economic activity for the publicity of actions of the officials of the customs authorities, for exercise of customs control and implementation of customs formalities;
  - (4) necessity for uniform application of provisions prescribed by the legislation when exercising customs control and fulfilling customs formalities;
  - (5) necessity for improvement of the customs affairs based on the introduction of customs administration methods by use of up-to-date information technologies and international standards generally recognised in the field of customs affairs.

## **Article 9. Obligations of customs authorities**

1. The customs authorities shall be obliged to:
  - (1) ensure the exercise of customs control and fulfilment of customs formalities;
  - (2) support the development of foreign trade, foreign economic relations of the Republic of Armenia;

- (3) maintain the customs statistics on foreign trade, customs statistics on mutual trade and special customs statistics;
- (4) ensure the accuracy of calculation of customs duties, taxes, anti-dumping, special and countervailing duties, customs fees and oversee the timely payment thereof, undertake measures to ensure making outstanding customs payments as prescribed by legislation;
- (5) ensure the observance of the statutorily required procedure for transporting goods and transportation means across the customs border of the Republic of Armenia and the Union;
- (6) ensure the observance of prohibitions and limitations prescribed by the customs legislation of the Union and the Republic of Armenia;
- (7) ensure support for the protection of intellectual property rights of persons by customs authorities;
- (8) disclose, prevent and repress the crimes and administrative offences, the control of which is reserved to the competence of customs authorities by the law of the Republic of Armenia, conduct urgent investigative activities and preliminary investigation into the mentioned crimes in the form of inquest of criminal cases, conduct administrative proceedings with regard to cases of administrative offences in customs affairs (violations of customs rules), assist in fight against corruption and international terrorism, counteract the illicit trafficking of objects of intellectual property, narcotic drugs, psychotropic substances, precursors thereof, arms and ammunition, cultural values and other objects transported across the customs border of the Union and/or the border of the Republic of Armenia;
- (9) assist in the implementation of measures undertaken for ensuring the state security, maintenance of public order, protection of life and health of

- human beings, animals and plants, protection of environment, protection of interests of consumers of goods imported into the Republic of Armenia;
- (10) exercise control over currency transactions with respect to transportation of goods across the customs border of the Union, as well as import of goods into the Republic of Armenia and export thereof from the Republic of Armenia, under the international treaties of member states of the Union, currency legislation of the Republic of Armenia and regulatory legal acts adopted by the currency regulation authorities, relevant thereto;
  - (11) protect, with the help of customs regulation measures, the interests of local goods producers, ensure the optimal use of resources of the customs authorities;
  - (12) ensure countermeasures for legalisation (laundering) of proceeds from crime and financing of terrorism when executing control over transportation of currency, securities and/or currency assets, traveller's cheques of member states of the Union across the customs border of the Union under the international treaties of the members states of the Union;
  - (13) clarify the rights and obligations of persons in customs law relations, assist the participants of foreign economic activity in fulfilment of customs formalities with regard to goods and transportation means carrying out international carriage;
  - (14) ensure the fulfilment of international obligations of the Republic of Armenia related to the customs affairs, co-operate with customs and other competent authorities of foreign countries, international organisations dealing with customs affairs;
  - (15) perform functions of providing information and clarifications in the field of customs affairs, provide information on the issues of customs affairs to state bodies, organisations and persons.

2. Laws of the Republic of Armenia may reserve other obligations to customs authorities.

***(Article 9 supplemented by Ho-81-N of 16 May 2016)***

#### **Article 10. Rights of customs authorities**

1. For the performance of functions reserved thereto, the customs authorities may have the right to:
  - (1) undertake measures reserved to the customs authorities to ensure the compliance by the persons with the provisions provided for by the customs legislation and other legal acts of the Republic of Armenia and the Union;
  - (2) request documents, information in cases provided for by the customs legislation and other legal acts of the Republic of Armenia and the Union;
  - (3) check the identification documents of the persons participating in the customs formalities;
  - (4) request from persons the documents certifying the powers to carry out actions in the field of customs affairs, prescribed by law;
  - (5) conduct, in conformity with the legislation of the Republic of Armenia, operational intelligence activities, urgent investigative activities and inquest within the scope of their competence, bring persons to administrative liability;
  - (6) carry out audio- and video-recording, filming and photographing of temporary storage, loading of and other actions in relation to goods transported across the state border of the Republic of Armenia and under customs control;

- (7) receive from state bodies, organisations and persons information necessary for the performance of the functions thereof, in conformity with the legislation of the Union and the Republic of Armenia;
  - (8) submit claims on the following to relevant state authorities in the cases and in the manner prescribed by law:
    - a. levy of customs duties, taxes, customs fees, interests and penalties;
    - b. levy of execution of the property with a view to paying the customs duties, taxes, customs fees, interests and penalties;
    - c. declaring the goods as ownerless;
    - d. in other cases provided for by the customs legislation of the Union, customs legislation of the Republic of Armenia and other legislative acts;
  - (9) develop, establish and operate information systems, communication systems and data exchange systems, technical means for customs control, as well as information security tools, including cryptographic tools, in conformity with the legislation of the Republic of Armenia;
  - (10) stop the transportation means subject to customs control and conduct inspection of goods and transportation means in case of doubts that illicit carriage of goods may be effected by that transportation means;
  - (11) exercise other rights envisaged for customs authorities by this Law and other laws.
2. The rights provided for by part 1 of this Article shall be enjoyed by the customs authority when performing functions exclusively in the field of customs affairs.

## **Article 11. Distinguishing sign of the customs authorities**

1. The customs authorities, transportation means thereof shall have a distinguishing sign, which is established by the Government of the Republic of Armenia.

## **Article 12. Locations and working hours of the customs authorities**

1. The customs authorities shall be located at state border crossing points of the Republic of Armenia (hereinafter referred to as "the crossing point"). The locations of the customs authorities shall also be the places for customs formalities and places envisaged for the officials of the customs authorities, considered as structural subdivisions of the superior customs authorities of the Republic of Armenia.
2. At the initiative of the persons carrying out activities in the field of customs affairs, participants in foreign economic activity carrying out regular supply of goods, transportation and shipping organisations and postal organisations of the Republic of Armenia customs points and structural subdivisions of customs offices may be located within the constructions belonging to the mentioned persons, upon the decision of the Government of the Republic of Armenia.
3. Customs formalities shall be fulfilled in the places determined therefore by the superior customs authority at the working hours of the customs authorities.
4. The working hours of customs authorities shall be determined by the superior customs authority.
5. Upon the request and at the expense of the person transporting goods, the customs authority fulfilling the customs formality of goods may, as prescribed by the Government of the Republic of Armenia, fulfil the customs formalities elsewhere and beyond the working hours of the customs authority.

## CHAPTER 3

### ***RIGHTS, OBLIGATIONS AND LIABILITY OF THE OFFICIALS OF THE CUSTOMS AUTHORITIES***

#### **Article 13. Officials of the customs authorities, rights and obligations thereof**

1. Officials of the customs authorities shall be the citizens of the Republic of Armenia holding offices of employees of the customs authorities and offices of the customs service of the Republic of Armenia as prescribed by the law of the Republic of Armenia.
2. The rights, obligations and liability of the officials of the customs authorities shall be prescribed by the customs legislation of the Union, this Law and other laws of the Republic of Armenia.
3. The customs authorities and officials thereof shall adopt decisions, carry out actions within the scope of their competence and in conformity with the customs legislation of the Union and the legislation of the Republic of Armenia.

#### **Article 14. Mandatory compliance with the requests of the customs authorities and officials thereof**

1. The lawful requests of the customs authorities and officials thereof shall be subject to mandatory compliance with by the persons carrying out activities related to the customs affairs.
2. The requests made by the customs authorities during the fulfilment of customs formalities and control or other customs procedures may not be hindrance to the

import, export, release of goods or other activities in the field of customs affairs where they are not aimed at the exercise of minimum control necessary for the compliance with the requirements prescribed by the legislation of the Union and the Republic of Armenia.

3. Failure to comply with the lawful requests of the customs authorities and officials thereof shall entail liability prescribed by law of the Republic of Armenia.

#### **Article 15. Co-operation of customs authorities with other state bodies**

1. The state bodies and officials thereof shall be obliged to support the customs authorities within the scope of their competence to resolve the issues they are tasked with.
2. For the purpose of implementation of the customs affairs and exercise of other powers reserved thereto by law and other legal acts the customs authorities shall co-operate with other persons. In case of import into the Republic of Armenia of goods and/or transportation means wanted, as well as with printed or deleted numbers of the engine or identification numbers or with other signs of unlawful taking and classified under headings 8702, 8703, 8704, 8705 of foreign economic activity commodity nomenclature, the customs authorities shall be obliged to immediately inform the Police adjunct to the Government of the Republic of Armenia thereon.
3. In case the customs authorities find facts of a crime and/or administrative offences, the proceedings on the cases of which, in conformity with the legislation of the Republic of Armenia, fall within the competence of other state bodies, the customs authorities shall be obliged to immediately provide information thereon to relevant state bodies.



**Article 16. Departmental oversight over the activities of the customs authorities**

1. Unless otherwise provided for by law, the superior customs authority or superior official of the customs authority shall have the right to any time revoke or amend, under the procedure for departmental oversight, the decision of other customs authority in the field of customs affairs or other official of the customs authority holding a lower office that fails to comply with the requirements of the legislation of the Union and the Republic of Armenia, as well as to undertake measures provided for by the customs legislation of the Union and the legislation of the Republic of Armenia on customs affairs against the customs authority having taken the unlawful decision or unlawful actions (inaction) of the official.
2. When a new decision in the customs affairs is required to be adopted after the decision of the customs authority or the official is revoked (amended) under the procedure for departmental oversight provided for by part 1 of this Article, such decision shall be adopted by the customs authority authorised by the superior customs authority in conformity with the customs legislation of the Union and legislation of the Republic of Armenia on customs affairs, within the time frames prescribed for exercising customs control.

**Article 17. Appealing against decisions, actions or inaction of the customs authorities and officials thereof**

1. The decisions taken by the customs authorities and officials thereof, actions and inaction thereof shall be appealed against in compliance with the customs legislation of the Union and the Law of the Republic of Armenia "On customs service".

## CHAPTER 4

### ***AWARENESS-RAISING AND CLARIFICATIONS***

#### **Article 18. Awareness-raising about the customs legislation**

1. The customs authorities shall ensure the following:
  - (1) unimpeded, free access to and publicity of the customs legislation of the Union and customs legislation of the Republic of Armenia, including through information technologies;
  - (2) the posting on the official websites thereof of information on drafts of customs legislation of the Republic of Armenia and customs legislation of the Union that are related to the customs affairs, as well as on amendments not having entered into force, except for the cases when such publication may result in the reduction of effectiveness of the exercise of customs control or may hinder the exercise thereof.

#### **Article 19. Receiving information on the decision having adopted by the customs authority, actions (inaction) carried out thereby**

1. Persons shall have the right to make inquiry from the customs authority about the reasons for the decision adopted by the customs authority or the official thereof or for the action (inaction) carried out thereby where that decision, action or inaction concern the rights and lawful interests of the mentioned persons.
2. The inquiry must be made within six months after the decision adopted or the action (inaction) carried out becomes known to the person.

3. The person may submit a request on receiving information both orally and in paper or electronic form, as prescribed by law.

**Article 20. Providing clarifications with regard to the issues related to the customs affairs and the competence of the customs authorities**

1. The customs authorities shall provide clarifications with regard to the issues related to the customs legislation of the Union and customs legislation of the Republic of Armenia.
2. Clarifications shall be provided by customs authorities free of charge, orally or in writing. In case of a request submitted by a person in writing, the customs authority shall be obliged to provide the information in writing.
3. The customs authority shall not bear liability for the legal acts published thereby or for the outcomes of misrepresentation of the information provided in the form of clarification or for the legal acts published without knowledge and control of the customs authority.

## CHAPTER 5

### *ACTIVITIES IN THE FIELD OF CUSTOMS AFFAIRS.*

#### *GENERAL PROVISIONS*

#### **Article 21. Record-registration of legal persons in the Register of persons carrying out activities in the field of customs affairs**

1. The record-registration of legal persons in the Register of persons carrying out activities in the field of customs affairs (hereinafter referred to as "the Register") shall be carried out in accordance with Articles 13, 19, 24, 29, 34 of the Customs Code of the Union and Article 28 and 29, 34 and 35, 38 and 40, 42 and 43, 46 and 47 of this Law.
2. For the purpose of record-registration in the Register, the legal person shall, in hard copy or electronically, apply to the superior customs authority by attaching the documents provided for by this Law.
3. For the purpose of record-registration in the registers of operators of temporary storage warehouses, operators of customs warehouses and operators of duty-free shops, the legal person shall submit to the custom authority an application on each separated construction and/or open space used as a temporary storage warehouse, customs warehouse or sales area of a duty-free shop.
4. In cases provided for by parts 2 and 3 of this Article, the originals of the documents or the signed copies thereof may be submitted to the customs authorities, except for the documents certifying the security of payment of customs duties and taxes, in case of which the original of document shall be submitted to the customs authorities. Where the copies are submitted, the

customs authority may verify the compliance thereof with the originals, whereafter the originals shall be returned to the person having submitted them.

5. The customs authority shall examine the application submitted for record-registration in the Register within 30 days after receiving it (except for the cases referred to in parts 6 and 9 of this Article), and shall take a decision on record-registering the legal person in the Register or refusing the record-registration thereof.
6. In case of failure to submit to the customs authority the documents certifying the security of payment of customs duties, taxes, along with the application on record-registration in the Register, where the other conditions prescribed by law for record-registration in the Register have been observed, the customs authority shall take a preliminary decision on sufficiency of the conditions necessary for record-registration in the Register.

The customs authority shall, within two days after adopting the preliminary decision on observance of the conditions necessary for the record-registration in the Register, notify the legal person having submitted the application of the preliminary decision, as well as on the necessity to submit the documents certifying the security of payment of customs duties, taxes. The documents certifying the security of payment of customs duties, taxes shall be submitted to the customs authority within 10 days after the notice. The customs authority shall, within five-day period following the day of receiving the documents certifying the security of payment of customs duties, taxes, record-register the legal person having submitted the application in the Register.

7. The customs authorities shall conduct an inspection of the constructions and areas used as a temporary storage warehouse, customs warehouse and duty-free shop for the purpose of verifying their compliance with the requirements and conditions prescribed by law.

8. In case the documents submitted by the legal person do not comply with the requirements prescribed by law, the customs authority shall have the right to request other documents confirming the data submitted by the legal persons, by indicating the grounds for non-compliance of those documents with the requirements prescribed by law.
9. In cases provided for by part 8 of this Article, the examination of the application on record-registration in the Register shall be terminated until the legal person having submitted the application submits the documents requested by the customs authority. The legal person having submitted the application may submit the documents requested by the customs authority within 10 days.
10. The record-registration of the legal person in the Register shall be confirmed also by issuing a certificate on record-registration thereof in the Register, and in case of customs carriers — within three working days after taking the decision. The document certifying the status of the carrier shall, in person or otherwise, be delivered to the head of the legal person or the authorised representative thereof by making an indication in the Register on the day and fact of delivery of the certificate. The certificate on being record-registered in the Register shall be signed by the head of the customs authority or the deputy thereof and shall be certified by a seal.
11. The customs authorities, having examined the application of the legal person on record-registration in the Register, may take a decision on rejecting the application within the time limits not exceeding the time limit referred to in part 5 of this Article. The head of the legal person or other authorised representative shall be informed in writing of the decision on rejecting the record-registration in the Register within two days after adopting such decision.
12. The customs authority shall reject the application on record-registration in the Register, where:

- (1) pursuant to the documents submitted to the customs authorities, the legal person does not comply with the requirements prescribed by the Customs Code of the Union;
  - (2) documents provided for by this Law have not been submitted;
  - (3) data of the documents submitted along with the application by the legal person do not comply with the data submitted thereby.
13. Forms of registers, forms of record-registration of legal persons in registers, cancellation of record-registration, making changes, as well as forms of certificates on record-registration in the registers of customs representatives, operators of temporary storage warehouses, operators of customs warehouses, operators of duty-free shops, authorised economic operators and procedure for the completion thereof shall be established by the superior customs authority. The form of the document certifying the status of the customs carrier shall, in accordance with point 4 of Article 18 of the Customs Code of the Union, be established upon the decision of the Commission of the Union.
14. A fee shall not be charged for the examination of applications on record-registration of persons carrying out activities in the field of customs affairs and for the record-registration thereof.

**Article 22. Changing the data in the application on record-registration in one of the registers of persons carrying out activities in the field of customs affairs**

1. In case of changing the data submitted along with the application on record-registration in the Register and provided for by this Law, the legal person (in case of restructuring of the legal person — the legal successor thereof) shall be obliged to notify the customs authority of those changes in hard copy or

electronically within five working days following the day of making changes to the data and submit the documents certifying them.

2. The customs authority shall, within 15 working days after receiving the information referred to in part 1 of this Article, verify the compliance of the mentioned data with the conditions prescribed by law for record-registration of a legal person in the Register and shall make relevant changes to the Register. In case of changing the data specified in the certificate on record-registration of persons in the Register (in the document certifying the status of a customs carrier), the customs authority shall issue a new certificate (a document certifying the status of a customs carrier) within one working day.
3. The documents submitted in accordance with this Article shall be attached to the package of documents submitted by the legal person during the record-registration in the relevant Register.

**Article 23. Suspending and resuming the activities of a person carrying out activities in the field of customs affairs**

1. The activities of legal persons record-registered in the registers as customs representatives, operators of temporary storage warehouses, operators of customs warehouses and operators of duty-free shops shall be suspended in the following cases:
  - (1) in case of submission by a legal person of an application on suspending the activities thereof — starting from the next day of submitting the application;
  - (2) in case of submission by a legal person of an application when instituting bankruptcy proceedings against the legal person — starting from the next day of submitting the application;



- (3) in case of rendering by the court or the authorised body a decision on suspending the activities of a legal persons — starting from the day the decision on suspension becomes known to the customs authorities;
  - (4) in case of suspension and/or termination of validity of a document provided for by the legislation of the Republic of Armenia for engaging in the given activity, where the legislation of the Republic of Armenia envisages the availability of such a document, starting from the day the suspension or termination becomes known to the customs authorities.
2. The decision of the customs authority on suspension of the activities of legal persons record-registered in the registers shall be sent to the head of the legal person or the authorised representative thereof within one day.
3. Starting from the day of termination of the activities of a person carrying out activities in the field of customs affairs, the fulfilment of customs formalities, acceptance of goods for storage at temporary storage warehouses and customs warehouses, as well as realisation of goods at duty-free shops shall not be permitted. In case the activities of the operator of the temporary storage warehouse is suspended for more than one month, the goods at the temporary storage warehouse must, within one month from the day following the suspension, be placed in another temporary storage warehouse at the expense of the funds of the operator of the temporary storage warehouse.
4. The activities of customs representatives, operators of temporary storage warehouses, operators of customs warehouses and operators of duty-free shops shall be resumed starting from the day following the day the legal person submits the documents certifying the elimination of the circumstances serving as a ground for the suspension of those activities and referred to in part 1 of this Article, and the customs authority shall, within one day, notify thereof the head of the legal person or the authorised representative thereof.

**Article 24. Removing the legal person from the Register carrying out activities in the field of customs affairs**

1. The legal person shall be removed from the register on the grounds provided for by Articles 14, 20, 25, 30 and 35 of the Customs Code of the Union. The restructuring of a legal person record-registered in the Register shall not serve as a ground for removing the legal person from the Register.
2. The decision on removing the legal person from the Register shall be adopted by the customs authority in writing, with a reasoned justification and the legal person shall be notified on the day following the day of adoption thereof. The decision on removing the legal person from the Register shall be delivered to the authorised representative of the legal person in person or shall be sent to the legal person by post or electronically indicating the fact and the date of delivery.
3. The decision on removing the legal person from the Register shall enter into force from the day of adoption thereof and shall be subject to execution from the day of notifying the legal person. Irrespective of the provision prescribed by this part, the operators of the temporary storage warehouse and operators of the customs warehouse may, until the day of removal from the Register, carry out activities based on the contracts concluded thereby, within one month after receiving the notice provided for by this part, except for the cases when the ground for removal from the Register is the recording of a violation.
4. In case of termination of the activities as a result of liquidation or reorganisation (except for the restructuring of a legal person), the customs authorities shall remove the legal persons from the Register on the day following the day of receiving the information on liquidation or termination of activities, by making an entry thereon.
5. The removal of a legal person from the Register shall not exempt it (legal successor thereof) from the obligation of completing the formalities with respect

to the carriage or storage of goods under the customs control or from the obligation of carrying out other actions pursuant to the contracts concluded prior to removal from the Register.

6. The goods placed under customs procedure "Duty-free trade" shall, within 15 days from the day following the day of entry into force of the decision on removing the operator of the duty-free shop from the Register, be subject to placement under another customs procedure, except for the cases when the goods are transferred to another duty-free shop for the realisation thereof. In the case provided for by this part when the goods are transported from a duty-free shop to another duty-free shop under control of the same customs authority, the control shall be exercised by that customs authority. Transportation of the goods provided for by this Article to a duty-free shop under control of another customs authority shall be carried out in compliance with customs procedure "Customs transit".
7. Starting from the day following the day of entry into force of the decision on removing the operator of the duty-free shop from the Register, the goods placed under customs procedure "Duty-free trade" shall be considered for customs purposes as goods placed under temporary storage. The sale of those goods, as well as placement of other goods in duty-free shops shall not be permitted.
8. In case of removal of a legal person from the Register, the return of the security of payment of customs duties, taxes provided by the person for record-registration in that Register (termination of the validity) shall be carried out in accordance with Chapter 17 of this Law.

**Article 25. Maintaining the Register of persons carrying out activities in the field of customs affairs**

1. The Register shall be maintained by the superior customs authority electronically.
2. The forms of registers shall be approved by the superior customs authority.
3. Registers shall be created by the customs authorities based on the decisions on record-registering the legal persons in those registers, making changes thereto and removing them, as well as the decisions on suspending and resuming the activities of customs representatives, operators of temporary storage warehouses, operators of customs warehouses and operators of duty-free shops record-registered in the registers. Changes in the Register shall be made within one working day following the adoption by the customs authority of the decision thereon.
4. The registers shall be published on the official website of the customs authorities on the 15<sup>th</sup> day of each month.

**Article 26. Record-keeping and submission of reports by the legal persons carrying out activities in the field of customs affairs**

1. The record-keeping of goods and economic transactions shall be carried out by the customs carriers, operators of the temporary storage warehouse, operator of customs warehouse, operator of the duty-free shop in accordance with the legislation of the Republic of Armenia.
2. Persons carrying out activities in the field of customs affairs shall submit the reports in compliance with this Law.

## CHAPTER 6

### *PERSONS CARRYING OUT ACTIVITIES IN THE FIELD OF CUSTOMS AFFAIRS*

#### CUSTOMS REPRESENTATIVE

##### **Article 27. Customs representative**

1. Customs representative shall be a legal person prescribed by Article 12 of the Customs Code of the Union carrying out customs operations prescribed by Customs legislation of the Union upon assignment of the declarant or his/her authorised person and on behalf thereof.
2. Relations between a customs representative and a declarant or his/her authorised person shall be regulated by the contracts concluded between them.
3. Customs representative shall bear the responsibility to pay customs duty, taxes and other fees envisaged during declaration through a relevant customs procedure, unless otherwise provided by the contract concluded between a customs representative and a declarant or his/her authorised person.

##### **Article 28. Conditions for record-registration of a legal person in the register of customs representatives**

1. Conditions for record-registration of a legal person in the register of customs representatives shall be prescribed by Article 24 of the Customs Code of the Union.

2. The size of the amount of the risk insurance of civil liability provided for by point 2 of Article 13 of the Customs Code of the Union shall be determined by the contract concluded between a customs representative and a declarant or his/her authorised person.
3. State administration institutions, communities, state non-commercial organisations, community non-commercial organisations, as well as other legal persons established with state participation may not be record-registered in the register of customs representatives.
4. The certificate of record-registration in the register of customs representatives shall contain name, location, taxpayer identification number of the customs representative, name of the customs authority issuing the certificate, date of issuance of the certificate and the number thereof.

**Article 29. Application for record-registration in the register of customs representatives**

1. The application submitted for the purpose of record-registration in the register of customs representatives shall contain:
  - 1) information on the name, the location of the customs representative (electronic mail and/or other contact information);
  - 2) information on availability of persons on the staff of the legal person having received the qualification of a specialist in customs formalities under the procedure established by the superior customs authority as of the day of submitting the application;
  - 3) information on submission of a document verifying the security of payment of customs duty, taxes in accordance with point 3 of Article 13 of Customs Code of the Union;

- 4) information on the contract (contracts) risk insurance of civil liability provided for by this law.
2. Original copies of documents verifying the information mentioned in part 1 of this article or the signed copies thereof shall be attached to the application submitted for record-registration in the register of customs representatives, which shall be returned after examination. Original copy of the document verifying the security of payment of customs duty, taxes provided for by the Code of the Union shall be submitted to customs authorities.

### **Article 30. Specialist in customs formalities**

1. Only a citizen of the Republic of Armenia having received - under the procedure established by the superior customs authority - the qualification of a specialist in customs formalities engaged in employment or civil law contract relations with the customs representative, or authorised thereby may carry out customs formalities on behalf of a customs representative.
2. Mandatory conditions for receiving a qualification certificate of a specialist in customs formalities shall be:
  - (1) higher education;
  - (2) proficiency in Armenian;
  - (3) proficiency in customs legislation;
  - (4) knowledge in using automated computer software for customs declaration.
3. Programmes of examinations for qualification in customs formalities and the procedure for conducting thereof shall be established by the superior customs authority. Examinations for qualification in customs formalities shall be administered by a commission set up by the superior customs authority. The

persons having passed the examination for qualification in customs formalities shall be issued a qualification certificate in customs formalities on the day following the day of passing the examination as well as a possibility to access automatic customs declaration system.

4. The specialist having received a qualification certificate in customs formalities shall be trained by customs authorities at least once in 3 years, according to the programme and the procedure established by the superior customs authority.

**Article 31. The grounds and the procedure for termination of validity of the qualification certificate of the specialist in customs formalities**

1. Validity of qualification certificate of the specialist in customs formalities shall be terminated if:
  - 1) the fact of receiving the qualification certificate by the specialist in customs formalities by means of using false documents is approved;
  - 2) a judicial act on depriving of the right to engage in activities of a specialist in customs formalities enters into force;
  - 3) the customs specialist -for his/her own benefit or for the benefit of third persons - uses, discloses or provides to third persons state, commercial, bank, official or insurance classified information concerning the persons he/she represents, except for the cases prescribed by law;
  - 4) the specialist in customs formalities has been subjected to liability for three or more times in one year for violation of customs rules bringing to incomplete calculation of customs payments and/or making thereof and/or application of non-tariff regulatory measures;



- 5) the specialist in customs formalities has been convicted for smuggling, fraud or defalcation and the conviction has not been cancelled or expired as prescribed;
  - 6) the specialist in customs formalities has failed training performance provided for by Article 30 of this law.
2. The decision on termination of the validity of qualification certificate of the specialist in customs formalities shall be rendered by the relevant official of the superior customs authority. A copy of the mentioned decision shall - within three days following the day of rendering thereof - be provided to the person with whose regard this decision has been rendered.
  3. As a result of termination of validity of qualification certificate of the specialist in customs formalities, the decision on termination of activities of the specialist in customs formalities may be further appealed by the specialist in customs formalities to the superior authority or in the court.

**Article 32. Availability of information systems of customs authorities for customs representatives**

1. Availability of information systems used for automatic processing of information and electronic data transfer by customs authorities for customs purposes to customs representatives as well as other persons prescribed by part 2 of Article 157 of this law shall be insured by the superior customs authority as prescribed.

***(article 32 supplemented by HO-146-N of 28 September 2016)***

**Article 33. Use of information received from the delegator by a customs representative and the personnel thereof**

1. The customs representative or the personnel thereof may use the information received from the delegator with a view to fulfil the assignment exclusively for customs purposes.
2. State, bank, commercial, official classified information shall not be subject to disclosure and may not be used by the customs representative or the employees thereof for his/her own benefit or for the benefit of third persons, including state authorities, except for the cases provided for by law.

**CUSTOMS CARRIER**

**Article 34. Customs Carrier**

1. Customs carrier shall be a legal person defined by Article 18 of the Customs Code of the Union.
2. The conditions for record-registration of a legal person in the register of customs carriers shall be prescribed by Article 19 of the Customs Code of the Union.
3. The status of a customs carriers shall be certified by a document issued by the superior customs authority, the format and the procedure for the usage thereof shall be established by the decision of the Commission of the Union.
4. The relations between a customs carrier and a suppliers of goods shall be regulated by the contracts concluded between them.
5. Customs carrier shall perform the duties prescribed by Article 21 of the Customs Code of the Union.

**Article 35. Application for record-registration in the register of customs carriers**

1. Application for record-registration in the register of customs carriers shall contain:
  - (1) information on the name, location and place of business of customs carriers (mail address and/or other contact information);
  - (2) information on the right of ownership, lease or use of transportation means having the capacity of being used for customs securities envisaged for international carriage;
  - (3) information on submission of a document verifying the security of payment of customs duty, taxes in accordance with part 2 of Article 19 of the Customs Code of the Union.
2. Original copies of documents verifying the information mentioned in part 1 of this article shall be attached to the application for record-registration in the register of customs carriers, which shall be returned after examination. The list of transportation means envisaged for customs carriage owned by the customs carrier or leased or transferred for use thereby and the registration certificate copies thereof shall be submitted together along with the documents provided for in this point.

**Article 36. Using information received from the delegator by a customs carrier and the personnel thereof**

1. The customs carrier and the employees thereof may use the information received from the delegator with a view to fulfil the assignment exclusively for customs purposes.

2. State, bank, commercial, official classified information shall not be subject to disclosure and may not be used by a customs carrier or the employees thereof for his/her own benefit or for the benefit of third persons, including state authorities, except for the cases provided for by law.

## **OPERATOR OF A TEMPORARY STORAGE WAREHOUSE**

### **Article 37. Operator of a temporary storage warehouse**

1. An operator of the temporary storage warehouse shall be a legal person prescribed by article 23 of the Customs Code of the Union.
2. A temporary storage warehouse may be of open or closed type. Open temporary storage warehouses shall be designed for the use by any person. Closed temporary storage warehouses shall be designed for the storage of goods by the operator of the given warehouse and/or the storage of goods of certain type, including the goods, which turnover is limited by legislation of the Republic of Armenia and the Union, and/or have special storage conditions.
3. Relations between persons transferring goods for storage and an operator of temporary storage warehouses shall be regulated by contracts concluded between them.
4. The operator of temporary storage warehouse shall fulfil the obligations prescribed by Article 26 of the Customs Code of the Union.

**Article 38. Conditions for record-registration of a legal person in the register of operators of temporary storage warehouses**

1. Conditions for record-registration of a legal persons in the register of operators of temporary storage warehouses shall be prescribed by Article 24 of the Customs Code of the Union.
2. The certificate on record-registration in the register of operators of temporary storage warehouses shall contain:
  - (1) name of the operator of temporary storage warehouses, indication: of the location and the place of business, the taxpayer identification number;
  - (2) the type of the temporary storage warehouse;
  - (3) information on the location of the construction of the temporary storage warehouse and/or the open space;
  - (4) name of the customs authority issuing the certificate;
  - (5) date of issuance of the certificate and the number thereof.

**Article 39. Requirements set for temporary storage warehouses**

1. The constructions of temporary storage warehouses and/or open spaces shall be equipped in such a way that the security of products is ensured, the entrance of unauthorised persons is excluded, as well as possibility of customs control over the goods is ensured.
2. The following requirements shall be set for temporary storage warehouses:
  - (1) the sanitary and hygienic conditions of the temporary storage warehouses, security alarm and fire safety requirements for the protection of constructions;

- (2) availability of security service (own or leased) for fulfilling protection of the territory of temporary storage warehouses;
- (3) separation, preparation or fencing of buildings and spaces designed for temporary storage warehouses as well as construction of temporary storage warehouses in such a way as to carry out only the activity on storage of goods under customs control within the territory of temporary storage warehouses and the spaces, to exclude implementation of other activities, possibility for receiving goods and their release from temporary storage warehouses out of customs control, damaging goods stored in temporary storage warehouses;
- (4) availability of material and technical equipment for the storage of goods, including the availability of equipment necessary for loading and unloading and transportation means, storage facilities (weighing, placing, transporting, conditioning), communication and other means, their compliance with technical requirements;
- (5) appropriate facilities and conditions for customs authorities for the purpose of carrying out customs control and customs formalities, as well as for storage of goods placed under the responsible custody of customs authorities;
- (6) availability of constructions or equipment specifically separated and customised for goods, requiring special storage conditions (perishable and fragile, requiring a certain regime of humidity and temperature, flammable, hazardous for environment);
- (7) availability of automatic systems of record-keeping of goods and submitting reports to customs authorities;
- (8) availability of checkpoints for temporary storage warehouses of open type.

3. With a view to ensure effectiveness of customs control the Government of the Republic of Armenia shall establish other requirements for temporary storage warehouses.

***(Article 39 amended by by HO-81-N of 16 May 2016)***

**Article 40. Application for record-registration in the register of operators of temporary storage warehouses**

1. The application, submitted for record-registration in the register of operators of temporary storage warehouses in a hard copy or electronically, shall contain:
  - (1) information on the name, the location of operators of temporary storage warehouses;
  - (2) information on constructions and/or open spaces under the possession of the operators of temporary storage warehouses and designed for using as a temporary storage warehouse, their location, availability of facilities, equipment and logistics support;
  - (3) information on the contract (contracts) of risk insurance of civil liability.
2. Original copies of the documents verifying provided information shall be attached to the application for record-registration in the register of operators of temporary storage warehouses, which shall be returned to the operator of the temporary storage warehouse after examination.
3. The size of the amount of the risk insurance of civil liability presented by the operators of temporary storage warehouses shall be determined by the contract concluded between a temporary storage warehouse and an insurance organisation.

## **OPERATOR OF A CUSTOMS WAREHOUSE**

### **Article 41. Operator of a customs warehouse**

1. Operator of a customs warehouse shall be a legal person prescribed by Article 28 of the Customs Code of the Union.
2. The types of customs warehouses shall be defined by the Customs Code of the Union.
3. Relations between operators of a customs warehouse and declarants or other persons shall be regulated by the contracts concluded between them.
4. The operator of customs warehouse shall fulfil all the obligations provided for by Article 31 of the Customs Code of the Union.

### **Article 42. Conditions for record-registration of a legal person in the register of operators of customs warehouses**

1. Conditions for record-registration of a legal person in the register of operators of customs warehouses shall be prescribed by Article 29 of the Customs Code of the Union.
2. The certificate on record-registration in the register of operators of customs warehouses shall contain:
  - (1) name, location of the operator of customs warehouse, taxpayer identification number;
  - (2) type of the customs warehouse;
  - (3) location of constructions and/or open spaces of the customs warehouse;
  - (4) name of the customs authority issuing the certificate;
  - (5) date of issuance of the certificate and the number thereof.



**Article 43. Application for record-registration in the register of operators of customs warehouses**

1. The application for record-registration in the register of operators of customs warehouses shall contain:
  - (1) information on the name, the location of operators of customs warehouses;
  - (2) information on the type of the customs operator (in case of an open warehouse - also grounds for necessity and purposefulness of selecting that type of the warehouse);
  - (3) information on constructions and/or open spaces under the possession of the operators of customs warehouses and designed for using as a customs warehouse, their location, availability of facilities, equipment and logistics support;
  - (4) information on the contract (contracts) of risk insurance of civil liability of operators of open customs warehouses.
2. Original copies of documents verifying the information provided for by part 1 of this article or the signed copies thereof shall be attached to the application submitted for record-registration in the register of the operators of customs warehouses, which shall be returned after examination.
3. The size of the amount of risk insurance of the civil liability of the operators of customs warehouses shall be determined by the contract concluded between an operator of the customs warehouse and an insurance organisation.

#### **Article 44. Requirements set for customs warehouses**

1. The constructions of temporary storage warehouses and/or open spaces shall be equipped in such a way as to ensure the security of products, to exclude the entrance of unauthorised persons, as well as to ensure the possibility of customs control over the goods.
2. The following requirements shall be set for temporary storage warehouses:
  - (1) the sanitary and hygienic conditions of the customs warehouses, security alarm and fire safety requirements for the protection of constructions;
  - (2) availability of security system (own or leased) for exercising protection of the area of customs warehouses;
  - (3) separation, preparation or fencing of buildings and spaces designed for customs warehouses, as well as construction of customs warehouses in such a way as to carry out only the activity on storage of goods under customs control within the territory of customs warehouses and the spaces, to exclude implementation of other activities, possibility for receiving goods and their release from customs warehouses out of customs control, damaging goods placed in customs warehouses;
  - (4) availability of material and technical equipment for the storage of goods, including the availability of equipment necessary for loading and unloading and transportation means, storage facilities (weighing, placing, transporting, conditioning), communication and other means, their compliance with technical requirements;
  - (5) appropriate territories and conditions for the customs authorities for the purpose of carrying out customs control and customs formalities, as well as for storage of goods placed under the responsible custody of customs authorities;

- (6) availability of constructions or equipment specifically separated and customized for goods, requiring special storage conditions (perishable and fragile, requiring a certain regime of humidity and temperature, flammable, hazardous for environment);
  - (7) availability of automatic systems of record-keeping of goods and submitting reports to customs authorities;
  - (8) availability of checkpoints for temporary storage warehouses of open type.
3. With a view to ensure effectiveness of customs control the Government of the Republic of Armenia shall establish other requirements for customs warehouses.

## **OPERATOR OF A DUTY-FREE SHOP**

### **Article 45. Operator of a duty-free shop**

1. Operator of a duty-free shop shall be a legal person prescribed by Article 33 of the Customs Code of the Union.
2. The operator of a duty-free shop shall fulfil all the obligations prescribed by Article 36 of the Customs Code of the Union.

### **Article 46. Conditions for record-registration of a legal person in the register of operators of duty-free shops**

1. Conditions for record-registration of a legal person in the register of operators of duty-free shops shall be prescribed by Article 34 of the Customs Code of the Union.

2. For record-registration in the register of operators of duty-free shops it is necessary to ensure the availability of a document verifying the right to engage in the activity of setting up a duty-free shop provided for by law.
3. The certificate on record-registration in the register of operators of duty-free shops shall contain:
  - (1) name, location of the operator of a duty-free shop, taxpayer identification number;
  - (2) location of the trade hall of the duty-free shop;
  - (3) location of the warehouse of the duty-free shop;
  - (4) name of the customs authority issuing the certificate;
  - (5) date of issuance of the certificate and the number thereof.

**Article 47. Application for record-registration in the register of operators of duty-free shops**

1. The application submitted for record-registration in the register of operators of duty-free shops in a hard copy or electronically shall contain:
  - (1) information on the name, the location of operators of duty-free shops;
  - (2) information on constructions under the possession of the operators of duty-free shops and designed for using as a duty-free shop, on their location, availability of facilities, equipment and logistics support;
2. Original copies of the documents verifying the provided information shall be attached to the application for record-registration in the register of operators of duty-free shops, which shall be returned after examination.

**Article 48. Requirements to availability of facilities, equipment, location and the conditions for the sale of goods in duty-free shops**

1. Duty-free shops shall be separated territories within the zone of customs control, wherein goods released exclusively under the customs procedure “Duty-free trade” shall be permitted to sale (to store).
2. The area of a duty-free shop may include more than one trade hall, warehouse areas and auxiliary premises.
3. The requirements to availability of facilities, equipment, location and the conditions for the sale of goods in duty-free shops shall be:
  - (1) duty-free shop must have a trade hall and a warehouse area, which must be located within the zone of customs control;
  - (2) the territory of a duty-free shop shall be equipped in such a way as to carry out the sale of goods exclusively in the trade hall of the duty-free shop and to ensure the storage of goods and the possibility to exercise customs control;
  - (3) the warehouses and auxiliary premises of a duty-free shop shall be customised and equipped in such a way as to exclude the entrance of unauthorised persons (persons that are not employees of the duty-free shop and/or do not have any rights with respect to the goods located in the duty-free shops), as well as to ensure the possibility of application of customs security measures;
  - (4) a duty-free shop may not include any object that is not related to the activity of the shop;
  - (5) the warehouse of a duty-free shop shall be located only in a closed construction and shall be designed exclusively for implementation of actions ensuring the activity of the duty-free shop;

- (6) the trade halls of a duty-free shop shall be located in such a way as to exclude the release of goods entered into the duty-free shop without customs control, except for the goods sold in retail;
  - (7) the trade halls of a duty-free shop shall be situated in the halls designed for providing service to passengers departing from the Republic of Armenia, beyond the place designated for direct customs control of the citizens crossing the border of the Republic of Armenia.
4. Requirements set for the sale of goods in duty-free shops
- (1) the goods released under customs procedure "Duty-free trade" shall be transferred to the trade hall or warehouse of the duty-free shop, as well as from the warehouse to the hall of the duty-free shop under the control of customs authorities;
  - (2) sales of goods must be carried out exclusively from the trade hall of the duty-free shop.
  - (3) sales of goods in the duty-free shops shall be carried out by means of cash register machines.
  - (4) sales of goods in the duty-free shops shall be carried out with the currency of the Republic of Armenia and with foreign currency freely convertible in the Republic of Armenia - in cash, by cheque, with payment cards and other payment means.
5. The following persons shall have the right to buy goods from the trade halls of duty-free shops:
- (1) natural persons departing from the Republic of Armenia through the area of the given duty-free shop;
  - (2) natural persons travelling in transit via the territory of the Republic of Armenia through the area of the given duty-free shop;

- (3) the personnel of the aircrafts departing from the Republic of Armenia through the area of the given duty-free shop;
  - (4) commanders of aircrafts or other authorised persons departing from the Republic of Armenia through the zone of customs control of the place of business of the given duty-free shop, to sell goods to the passengers in the aircraft. Persons set forth in this sub-point shall be supplied with goods by duty-free shops based on the contracts concluded with airline companies;
  - (5) the person making purchases from duty-free shops shall be obliged to provide a document certifying the right to make purchases from a duty-free shop.
6. The procedure for inputting goods to a duty-free shop and record-keeping the sales thereof, as well as submitting reports on these goods to customs authorities shall be established by the Government of the Republic of Armenia, and the record-keeping and control of the movement of goods of a warehouse and trade halls shall be carried out in accordance with the procedure established by the superior customs authority.
7. Preparation of goods for further delivery and sale, assigning consignment, sorting, packing, repacking, labelling, loading, unloading, stamping and any other action not resulting in change of the characteristics and the designated purpose of goods may be carried out upon permission of customs authorities with regard to the goods stored in the storage area.
8. The use of the trade halls, auxiliary premises and the warehouse of the duty-free shop shall not be allowed for the storage and the sale of goods placed under customs procedure "Duty-free trade".

## CHAPTER 7

### ***ACTIVITIES OF THE AUTHORISED ECONOMIC OPERATOR***

#### **Article 49. Authorised economic operators and simplified procedures provided therefor**

1. An authorised economic operator shall be a legal person established as prescribed by law and engaged in foreign economic activity that corresponds to the criteria prescribed by the Code of the Union and this Law.
2. Simplified procedures for the authorised economic operators shall be prescribed by Articles 41 and 42 of the Customs Code of the Union.

#### **Article 50. Criteria for granting the status of authorised economic operator**

1. Criteria for granting the status of authorised economic operator shall be prescribed by Article 39 of the Customs Code of the Union.
2. The additional criteria for granting the status of authorised economic activity shall be the following:
  - (1) at least three years of engagement in foreign economic activity as of the day of submitting the application to the customs authorities for receiving the status of authorised economic operator;
  - (2) ***(point repealed by HO-81-N of 16 May 2016)***
  - (3) engagement of a person in foreign economic activity with countries which are not considered as risky in terms of safety according to the criteria established by the superior customs authority.

***(Article 50 amended by HO-81-N of 16 May 2016)***



**Article 51. Requirements for the furnishing and equipment of the constructions, open spaces and other areas**

1. The constructions and open spaces belonging to the authorised economic operator shall have the status of customs control zone and must meet the requirements for temporary storage warehouses of closed type and customs warehouses prescribed by this Law and by the Government of the Republic of Armenia.
2. Storage by authorised economic operators of goods under customs control, as well as other goods placed under storage within the area of one construction shall be permitted provided that they are distributed separately so that customs authorities differentiate the goods under customs control from other goods by way of visual inspection. The authorised economic operators shall provide the conditions prescribed by this part using protective tapes, partitions, relevant signboards and inscriptions.

**Article 52. Application for record-registration in the register of authorised economic operators**

1. For the purpose of receiving the status of authorised economic operator, the person engaged in foreign economic activity shall submit to the superior customs authority, electronically or in hard copy, an application and a self-assessment sheet on the activity implemented during previous three years, the form and procedure for the submission whereof shall be prescribed by the Government of the Republic of Armenia.
2. Along with the application and self-assessment sheet, the authorised economic operator shall submit the original copies of documents verifying the information presented therein and the document verifying the security of payment of the

customs duty and taxes provided for by the Customs Code of the Union, which shall be returned after being examined.

3. The customs authority shall, based on the information at its disposal and received from other state authorities and third persons, study, within a period of one month, the activity implemented by the person during previous years, the data revealed as a result whereof shall be compared with the information included in the self-assessment sheet submitted by the person, and the following decision shall be made:
  - (1) on granting the status of authorised economic operator where the person, who submitted the application, meets the criteria prescribed by the Customs Code of the Union and this Law;
  - (2) on requiring additional data from the person engaged in foreign economic activity, and where the customs authority has a suspicion regarding the deficiencies or falseness of the submitted data — on carrying out an inspection.

After the completion of the activities provided for by point 2 of this part, the customs authority shall, within a period of one month, take a decision on granting the status of authorised economic operator where the examination reveals that the person engaged in foreign economic activity meets the criteria prescribed by the Code of the Union and this Law, or on rejecting the grant of that status, where the examination reveals that the person engaged in foreign economic activity fails to meet the criteria prescribed by the Code of the Union and this Law.

Decision on rejecting the grant of the status of authorised economic operator shall be made either where the person engaged in foreign economic activity refuses to provide data required by the customs authorities pursuant to point 2 of this part.

**Article 53. Procedure for maintaining the register of the authorised economic operator and certificate of record-registration in the register of the authorised economic operator**

1. The superior customs authority shall carry out maintenance of the electronic register of authorised economic operators and shall ensure its periodic publication through information systems.
2. The status of authorised economic operator shall be granted to a legal person by the superior customs authority by way of issuing a certificate on record-registration in the register of authorised economic operators and shall be recognised in the territory of the state the customs authority whereof have granted that status. The certificate on record-registration in the register of authorised economic operator shall include the following:
  - (1) the name of the authorised economic operator, the place of activity thereof, taxpayer identification number;
  - (2) information on the document certifying the security of making customs payments and taxes;
  - (3) information on the simplified procedures provided to the authorised economic operator;
  - (4) information on the fulfilment of customs formalities under the simplified procedure.
3. Certificate on record-registration in the register of authorised economic operators shall enter into force on the day of its issuance and shall be effective for an unlimited term.
4. The authorised economic operator shall be obliged to submit information on changes in the information submitted thereby for issuing a certificate of record registration in the register of authorised economic operators to the superior

customs authority within a three working days following the changes in the information.

5. The customs authority shall, within five working days, check the reliability of information submitted by the authorised economic operator and, where necessary, shall modify the certificate or issue a new certificate as prescribed by this Law.

**Article 54. Procedure for suspension, termination of the validity of the certificate of record-registration in the register of the authorised economic operator and for removal from the register of the authorised economic operator**

1. The customs authority shall conduct periodic analysis for the purpose of determination of the compliance of the authorised economic operator with his or her status and the activity deriving from that status.
2. The superior customs authority shall be competent to carry out double check of the compliance with the criteria for granting the status having been rewarded to the authorised economic operator:
  - (1) in case of amendments relating to the customs affairs of the Republic of Armenia and to the customs legislation of the Union — based on the decision of the superior customs authority;
  - (2) in case of disclosure, as a result of customs control, of data on the failure of the authorised economic operator to comply with at least one of the criteria prescribed by the customs legislation of the Republic of Armenia and of the Union.
3. The authorised customs authority may suspend the validity of the certificate of record-registration in the register of the authorised economic operator:

- (1) in case of failure of the authorised economic operator to comply with one of the criteria for granting the status prescribed by law;
  - (2) in case of failure of the authorised economic operator to submit reports to the customs authorities in the manner, form and with the periodicity established by the superior customs authority — until submitting the relevant report;
  - (3) in case of existence of violation of the customs rules prescribed by the customs legislation of the Republic of Armenia — starting from the date of the entry into force of the administrative decision on holding liable as a result of the violation of the customs rules until the expiry thereof as prescribed by law;
  - (4) in case of institution of a criminal case regarding the field of economic activity against the shareholders or participants of the company — starting from the date of the entry into force of the court decision on criminal liability until the expiry thereof as prescribed by law;
  - (5) in case of disclosure, as a result of inspections carried out by the customs authorities, of the outstanding liabilities with regard to taxes, duties and other mandatory payments — until the discharge of such liabilities;
  - (6) based on the application for suspension of the certificate submitted by the authorised economic operator — for the requested period.
4. The authorised customs authority shall, until the adoption of the decision on suspension of the warrant of registration in the register of the authorised economic operator, send a notice on the disclosed violations to the authorised economic operator. Where the latter fails to eliminate the violations or to submit relevant reports within a period of 30 days, the superior customs authority shall adopt a decision on suspension of the validity of the certificate of the authorised economic operator.

5. Decision on suspension shall enter into force following the publication thereof. The copy of this decision shall, not later than on the working day following the publication of the decision, be sent to the authorised economic operator by post or electronically.
6. The validity of the certificate of record registration in the register of the authorised economic operator shall be terminated:
  - (1) based on the application on withdrawal from the register submitted by the legal person;
  - (2) in case of liquidation of the relevant legal person in accordance with the legislation of the Republic of Armenia;
  - (3) in case of reorganisation (except for restructuring) of a legal person;
  - (4) in case of failure to perform, within the set time frames, the required actions following the temporary suspension of the validity of the certificate of the record-registration in the register of the authorised economic operator;
  - (5) in case of recording violation by the legal person of the customs rules two and more times within a year.

**Article 55. Procedure for record-registration system of the authorised economic operator and submission of reports**

1. The authorised economic operator shall be obliged to perform separated accounting for the goods imported and exported thereby ensuring complete and accurately formed accounting and tax record-registration on goods subject to customs control and on movement thereof in accordance with the legislation of the Republic of Armenia.

2. The authorised economic operator shall be obliged to, quarterly — till 10-th of the month following each quarter, submit a report on goods transported under simplified customs procedures to the customs authorities.
3. The report on goods transported under simplified customs procedure shall include information on the date of placing the goods under temporary storage, simplified procedures applied thereto, number of the customs declaration, the CN FEA code, net and gross weight of the goods, customs value, customs payments calculated as a result of the customs formality, as well as information about the person on whose behalf the customs formalities are carried out.
4. The reports shall be submitted to the customs authorities in hard copy or electronically under the signature of the head of the legal person (in case of electronic form — under the electronic digital signature).
5. In case of failure to submit reports or their untimely submission or timely submission yet containing unreliable information the authorised economic operator shall bear liability pursuant to the legislation of the Republic of Armenia.
6. The form of the report submitted by the authorised economic operator as prescribed by this Article shall be established by the superior customs authority.

## CHAPTER 8

### *INFORMATION SYSTEMS AND INFORMATION TECHNOLOGIES*

#### **Article 56. Information systems and information technologies used by customs authorities and supporting tools thereof**

1. The customs authorities shall apply the information systems and information technologies for the purpose of ensuring the performance of functions of the customs authorities, including the exchange of information with public administration bodies, delivery of public services to the population, provision of the services for electronic submission of information by persons engaged in external economic activities.
2. Information systems, information technologies and supporting tools thereof shall be established and introduced upon initiative of the customs authorities of the Republic of Armenia as prescribed by the legislation of the Republic of Armenia.
3. The procedure for application of the information systems shall be established by the superior customs authority.
4. Information systems, information technologies and supporting tools thereof, applied by third persons for the purpose of electronic provision of the documents and information provided for by this Law to the customs authorities, must comply with the requirements prescribed by the law of the Republic of Armenia.



#### **Article 57. Information resources of customs authorities**

1. Information resources of the customs authorities shall be a documented information and set of data including databases established, processed and collected in the customs authorities, among them:
  - (1) information submitted by persons in the process of implementation of the actions with the customs authorities pursuant to the customs legislation of the Union and the legislation of the Republic of Armenia;
  - (2) information provided by the state bodies within the framework of exchange of inter-agency information;
  - (3) information provided based on the inquiries of the customs authorities and/or provided by foreign state agencies within the framework of international information exchange.
2. Procedure for creation and application of information resources of the customs authorities, requirements for documentation of the information and data, including those provided electronically, shall be established by the superior customs authority.
3. Procedure for receiving by persons of the restricted information contained in the information resources of the customs authority shall be prescribed by the legislation of the Republic of Armenia.

#### **Article 58. Ensuring information security by customs authorities**

1. Creation of the software, hardware and other tools for protection of information shall be implemented upon the initiative of the customs authority of the Republic of Armenia as prescribed by the legislation of the Republic of Armenia. Procedure for application of the software, hardware and other tools for protection of information shall be established by the superior customs authority.

2. Control over the compliance with the requirements for application of the tools for protection of information shall be carried out by the superior customs authority.

## CHAPTER 9

### *CUSTOMS STATISTICS*

#### **Article 59. Customs statistics on foreign and mutual trade**

1. For analysis of foreign and mutual trade of the Republic of Armenia with the member states of the Union, as well as of the state of economy, the customs authorities shall, as prescribed by the decision of the Government of the Republic of Armenia, collect and process data on the goods transported through the border and statistical territory of the Republic of Armenia.
2. For the purpose of customs policy implementation, the customs authorities shall maintain statistics in compliance with the methodology established by the Union Commission.
3. Special procedure for maintaining statistics may be prescribed by the decision of the Government of the Republic of Armenia which shall be used only for customs purposes.

## **Article 60. Documents and information used for statistical purposes**

1. The information provided to the customs authorities as prescribed by the decision of the Government of the Republic of Armenia, as well as the documents and information used for the purpose of carrying out customs control shall be used for the maintenance of the customs statistics.
2. The customs authorities may not use the information collected for the purpose of customs statistics for the purposes other than the cases provided for by law.
3. The customs authorities or the officials thereof may not publicise and use state, bank, insurance, commercial and official classified information for personal purposes, provide it to third persons, including state bodies, except for the cases provided for by law.
4. The statistical information set forth by the Government of the Republic of Armenia regarding mutual trade between the Republic of Armenia and the member states of the Union shall be submitted to the customs authority as prescribed by the Government of the Republic of Armenia, not later than on the 10-th day following the month of the delivery (receipt) of the goods.

***(Article 60 supplemented by HO-81-N of 16 May 2016)***

## CHAPTER 10

### ***CLASSIFICATION OF GOODS ACCORDING TO THE FOREIGN ECONOMIC ACTIVITY COMMODITY NOMENCLATURE OF THE UNION***

#### **Article 61. Foreign Economic Activity Commodity Nomenclature of the Union**

1. For the purpose of applying customs tariff and non-tariff regulatory measures of the foreign economic activity, as well as for the purpose of maintaining the customs statistics, the Foreign Economic Activity Commodity Nomenclature of the Union (hereinafter referred to as the “CN FEA”), approved by the Union Commission, shall be applied in the Republic of Armenia.
2. The Government of the Republic of Armenia shall confirm the Armenian translation of the CN FEA.
3. In case of misreadings, contradictions and inconsistencies between the CN FEA approved by the Government of the Republic of Armenia and the CN FEA approved by the Union Commission, the provisions of the CN FEA approved by the Union Commission shall prevail.

#### **Article 62. Preliminary decision on classification of the goods by customs authorities**

1. The superior customs authority shall adopt preliminary decisions on classification of the goods according to the CN FEA in the manner, form and within the time frames established by the superior customs authority pursuant to the Customs Code of the Union.

2. The superior customs authority shall define the peculiarities of classification of the goods of separate types.
3. The superior customs authority shall ensure, within the territory of the Republic of Armenia, unimpeded free access for the stakeholders to the information on the preliminary and other decisions adopted by the customs authorities, pursuant to the Customs Code of the Republic of Armenia.

### **Article 63. Classification of goods**

1. The CN FEA codes of the goods shall be specified in the customs declarations and in the documents, prescribed by the Customs Code of the Republic of Armenia and the Union, to be submitted to the customs authorities.
2. In case of disagreement regarding the classification of the goods by the customs authority when declaring goods, the customs authority may require from the declarant additional information relating to the classification of goods, the list whereof shall be established by the Government of the Republic of Armenia.
3. The declarant shall submit the information provided for by part 2 of this Article to the customs authorities within five-day period, in hard copy or electronically.
4. In case of necessity to request additional information for clarification of the CN FEA code as well as for classification, the customs formality and the release of goods shall be carried out in accordance with the CN FEA code previously declared by the declarant for a period of up to 90 days in case of a guarantee provided by a bank or credit organisation in the amount of the positive difference of the customs payments resulting from the application of the codes proposed by the declarant and determined by the customs authorities, provided that the positive difference between the recalculated customs payments and

made customs payments will further be paid to the State Budget according to the final decision.

5. The provision prescribed by part 4 of this Article shall not apply to the goods not subject to non-tariff regulation for which the customs legislation of the Republic of Armenia and the Union prescribe import and export prohibitions and/or restrictions in case of existence whereof the process of customs formalities of the goods shall be suspended in accordance with part 4 of Article 196 of the Code of the Union until the customs authorities take a decision on the CN FEA code.
6. Where the customs authorities detect incorrect classification of the goods until the release of goods following the registration of the customs declaration, the official of the customs authority carrying out customs control shall draw up a protocol on incorrect classification on the basis whereof the superior customs authority shall adopt a decision on the classification of goods.

The decision on classification of the goods adopted by the superior customs authority shall include the following information:

- (1) name of the customs authority having adopted decision on classification of the goods, name, surname and signature of the head thereof or of the official substituting him or her;
- (2) name of the declarant;
- (3) date of adopting the decision on the classification of goods and date and number of the registration of the declaration whereby the classified goods have been declared, as well as number of the goods in the customs declaration wherefore the decision on the classification of goods has been adopted;
- (4) name of (detailed description) the goods;
- (5) information necessary for the classification of goods;

- (6) ten-digit code of the CN FEA in accordance with the CN FEA;
  - (7) justification and reason for the decision adopted and reference to the relevant rule of interpretation of the CN FEA.
7. The decision of the classification of the goods may be provided with the official form of the customs authorities—in the form of letter by the customs authority, or may be considered as the constituent part of the decision on carrying out an inspection or the decision on levy of customs payments or penalties.
  8. The decision of the customs authority on classification of the goods shall be mandatory for a declarant.
  9. In case the customs authority adopts a decision on the classification of goods following the release of goods, it shall be sent to the declarant within a period of three working days. As a result of change of the CN FEA approved by the decision provided for by this part, the levy of the customs duty, the tax amounts unpaid or underpaid, as well as the penalties and the fines prescribed by law and calculated with their respect shall be carried out in compliance with this Law.

**Article 64. Procedure for adopting decision on the classification of goods imported or exported in an unassembled or dismantled, including non consolidated or incomplete state within the period prescribed**

1. Unassembled or dismantled, including non consolidated or incomplete goods, the importing or exporting whereof is envisaged to be carried out in several consignments within a period not exceeding the time limits prescribed by Article 170 of the Customs Code of the Union, may be declared under one classification code of the CN FEA in case of existence of a decision by the customs authority on the classification of goods.

## CHAPTER 11

### *COUNTRY OF ORIGIN OF GOODS*

#### **Article 65. Determination of the country of origin of goods**

1. The country of origin of goods shall be deemed the country where the goods have been produced in whole or have last undergone sufficient processing pursuant to the criteria prescribed by this Chapter. Where necessary, group of countries, the Customs Union, a region of the world or of any country may be viewed as the country of origin.
2. When importing goods originated from the states that are not members of the Union to the Republic of Armenia, the country of origin thereof shall be determined pursuant to the international agreements concluded between the member states of the Union and to Chapter 7 of the Customs Code of the Union.
3. The country of origin of the goods being transported within the territory of the Union and those which are originated by the member states of the Union shall be determined by the rules prescribed by the international treaties of the Republic of Armenia concluded within the framework of the free trade area of the Commonwealth of Independent States, unless otherwise prescribed by the international treaties of the member states of the Union.
4. The authorised body of the Government of the Republic of Armenia shall carry out the determination of the country of origin of the goods exported from the Republic of Armenia and the issuance of a warrant or a certificate certifying the preferential status of the country of origin granted to the goods, as prescribed by this Law and international treaties concluded within the framework of the Union,



and the customs authority shall carry out the classification of the goods according to the CN FEA codes.

5. The procedure for granting certificates and warrants of the country of origin of goods and for carrying out expert examination shall be established by the Government of the Republic of Armenia.
6. Upon declaring, the country of origin of goods shall be determined by the declarant, and in cases prescribed by this Law — by the customs authority. The country of origin of goods shall be declared by the declarant during the customs declaration of the goods.

**Article 66. Status granted to goods according to the country of origin**

1. Non-preferential or preferential status shall be granted to goods according to the country of origin.
2. Within the framework of the non-preferential status of the goods the following provisions shall be made for:
  - (1) application of tariff regulatory measures prescribed by the customs legislation of the Republic of Armenia and the Union, except for the cases of exercising privileges as prescribed by the legislation;
  - (2) application of non-tariff regulatory measures prescribed by the legislation of the Republic of Armenia and the Union;
  - (3) provision of warrants or certificates of the origin of goods.
3. The following shall be provided for within the framework of the preferential status of the goods:

- (1) exemption from application of tariff regulatory measures prescribed by the customs legislation of the Republic of Armenia and the Union within the framework of the provisions prescribed by international treaties;
  - (2) provision of warrants or certificates of the origin of goods.
4. The country of origin of goods exported from the territories of the Republic of Armenia and the Union shall be determined for the purposes of tariff and non-tariff regulation, maintenance of customs statistics and provision of certificates or warrants of origin with respect thereof.

**Article 67. Rules for determination of goods produced completely in the Republic of Armenia**

1. The following shall be considered as goods produced completely in the Republic of Armenia:
  - (1) live animals born and bred in the Republic of Armenia;
  - (2) animals obtained in the Republic of Armenia as a result of hunting, trapping, fishing (in territorial and internal waters of that country) or of any other similar activity;
  - (3) product generated from live animals in the Republic of Armenia;
  - (4) plants or plant products grown, reaped, picked or harvested in the Republic of Armenia;
  - (5) minerals and other natural resources, not enlisted in points 1-4 of this part, that are generated and extracted from the territory, the subsoil or the base of territorial and internal waters of the Republic of Armenia;

- (6) residues and secondary raw materials derived from the production, processing or consumption in the Republic of Armenia, which are not useful or fit only for raw material;
- (7) products obtained by fishing conducted in neutral waters by vessels legally bearing the flag of the Republic of Armenia;
- (8) products made from goods referred to in point 7 of this part in factory ships legally bearing the flag of the Republic of Armenia;
- (9) products generated during flight on board of the spacecrafts belonging to or rented by the Republic of Armenia;
- (10) goods generated or produced in the Republic of Armenia from the products referred to in points 1-9 of this part.

**Article 68. Sufficient processing criteria for goods in the Republic of Armenia**

1. Sufficient processing criteria shall be deemed the activities as a result whereof:
  - (1) any of the first four digits of commodity code of the goods has been changed in the CN FEA;
  - (2) the percentage share of the value and the added value of substances originated in that country and used in the production of the given goods amounts not less than 30 percent of release (supply) price of the product, moreover, indirect taxes, trade markups, transport, insurance, maintenance and other costs shall not be included in that price.
2. The country of origin of the goods classified as sets of goods (consolidated goods) in the CN FEA or viewed as such shall be the country wherein the set has

been assembled, unless the total value of parts thereof not originated in that country exceeds 55 percent of its value.

**Article 69. Functions not considered as the criteria of sufficient processing**

1. The following shall not be considered as sufficient processing criteria:
  - (1) modifications made exclusively in the intended use of goods;
  - (2) packaging activities carried out in any form;
  - (3) classification of incomplete goods under completed goods or classification of goods completed but not assembled under assembled goods, pursuant to the rules of Harmonised System;
  - (4) simple assembling activities, in particular, plugging of units to form goods classifiable under another name;
  - (5) supplementing exclusively with protective measures;
  - (6) generation of goods under commodity group 02 (meat and meat by-products) from goods classified under commodity group 01 (live animals) of the CN FEA;
  - (7) preparatory works for sales and carriage of goods;
  - (8) activities necessary for preservation, transport and storage of products;
  - (9) fixing of marks, labels or other distinguishing marks on goods or on their packages;
  - (10) obtaining of products by way of mixing goods (components), the characteristics whereof do not essentially differ from the characteristics of the initial components;
  - (11) combination of two or more actions referred to in points 1-10 of this part.

2. The superior customs authority may establish other activities not considered as the criteria of sufficient processing of goods.
3. Regardless of the requirements of point 1 of part 1 of this Article, goods obtained as a result of modification of intended use thereof shall be considered as sufficiently processed, where the performed works meet the criteria prescribed by point 2 of part 1 of Article 68 of this Law.
4. When determining the country of origin of goods, the origin of packing materials and containers presented therewith shall not be taken into account according to any provision on the change of customs classification of the CN FEA in the manner provided for by point 1 of part 1 of Article 68 of this Law. Packing materials and containers shall be classified together with the goods subject to classification in the CNFEA.
5. The following shall not be taken into account when determining the country of origin of goods:
  - (1) country of origin of energy, fuel, equipment, machines and instruments used for the production of goods;
  - (2) country of origin of materials not envisaged by technical process, yet used and physically not included in the goods for giving them a final form.
  - (3) country of origin of supplementary devices and spare parts transported concurrently with the goods, where their quantity and value are typical to the given goods, the price is included in the price of the goods and they are not invoiced separately from the goods.
6. In case the sets or goods classified as such in the Harmonised System are transported through the customs border of the Republic of Armenia in several consignments (separate) for the purpose of application of the rule prescribed by point 2 of Article 68 of this Law:

- (1) the declarant shall preliminarily inform the customs authorities hereof in writing, state the reasons for separation, the list of each consignment with an indication of relevant commodity codes, the value and country of origin of goods included in each consignment;
- (2) all the separated goods shall be delivered from the same country by the same supplier;
- (3) the whole consignment shall be transported by the customs authority through the customs border of the Republic of Armenia not later than within six months from the day of acceptance of the declaration.

**Article 70. Certifying the country of origin of goods**

1. For the purpose of certifying the country of origin of goods, the customs authorities may require of the declarant or the authorized person thereof the documents prescribed by the Customs Code of the Union certifying the origin of goods.
2. The customs authorities shall approve the declared information concerning the country of origin of goods. The declared country of origin shall be taken as a basis for carrying out customs formalities by customs authorities provided that it is stated as the only country of origin:
  - (1) in the certificate or warrant of the origin of goods submitted by the declarant, which is issued by body authorised by the country of origin or the Government of the Republic of Armenia;
  - (2) in the declaration of the origin of goods or in other documents taken as a declaration of the origin of goods prescribed by the Code of the Union.
3. In case the customs authority has doubts about the authenticity of the warrant or certificate of the country of origin submitted by the declarant, it shall make a

request to the authorised bodies and organisations of the country having issued the warrant or certificate of the country of origin for getting additional documents and information. In case of making the request, the goods shall be released by way of making customs payments calculated in accordance with the country of origin declared by the declarant under the conditions of providing for the payment of the positive difference of the amounts of the custom payments calculated and actually paid by the customs authorities.

4. After receiving the results of the request for the origin of goods, the customs authorities shall take a decision on the necessity for making additional customs payments in compliance with the results of the request for the declared goods or for absence of such necessity which shall be delivered to the declarant in hand or sent by post or electronically along with the grounds for taking the decision. The declarant shall, within a period of ten days after receiving the decision from the customs authorities, pay the amounts of customs payments prescribed by this Article and the penalties provided for by law for failure to pay them within the time frames prescribed.
5. The submission of a certificate or warrant of the country of origin shall not be a mandatory condition for confirmation of the country of origin of goods transported through the customs border of the Republic of Armenia.
6. Where more than one or no country is indicated on a goods, its package and the documents accompanying them then:
  - (1) in case of availability of a warrant or a certificate, the customs authorities shall confirm the country of origin mentioned therein;
  - (2) in case there is no certificate or warrant of origin and where more than one country of origin is mentioned on the goods, their packages and in the documents accompanying them, the combination of highest rates and the most severe measures of non-tariff regulation prescribed by the law of the

Republic of Armenia in respect of the mentioned countries shall be applied to the declared goods.

**Article 71. Preliminary decision on country of origin of the goods**

1. The superior customs authority may adopt a decision on the country of origin of the goods based on the application of the declarant or the person authorised thereby.
2. For adopting a preliminary decision on the country of origin of goods, the following information necessary for adopting the preliminary decision on the country of origin must be mentioned in the application: the full trade and firm name, technical and sales features.
3. The application may be accompanied by the protocols of expert examinations, opinions of expert examinations of the Chamber of Commerce and Industry or other expert organisations functioning in the Republic of Armenia or opinions of the specialists of the expert organisation in which the results of the expert examination of the goods, information on documents attesting the execution of the foreign economic transactions, calculation of the value of the produced goods, detailed description of the technological process of the preparation of goods as well as other documents are presented which evidence that the given goods have been completely produced or have been subjected to sufficient processing in the territory of the country of origin. The samples and specimens of goods may also be submitted along with the application.
4. In case the information submitted for preliminary determination of the country of origin of goods are not sufficient for adopting a decision, the customs authority shall, within a period of three days following the day of registration of the application on adopting a preliminary decision, inform the person having submitted the application of the necessity for providing additional information by



way of submitting in writing the list of the information required for taking a preliminary decision. Where the person having submitted the application fails to provide additional information, the customs authority shall not adopt a preliminary decision.

5. The preliminary decision shall be adopted not later than within 90 calendar days following the registration of the application in the customs authority.
6. In accordance with part 4 of this Article, in case of necessity for providing additional information, the time limits referred to in part 5 of this Article shall be suspended starting from the day of registration of the written notice sent by the customs authority until the day of receipt of the document confirming the information required by the customs authority.
7. The form and the procedure for adopting a preliminary decision on the origin of goods shall be established by the superior customs authority.
8. The preliminary decision shall effect for a period of three years after the adoption thereof, unless it has been amended, recalled, or the validity thereof has been terminated. The preliminary decision shall be mandatory for all the customs authorities of the Republic of Armenia.
9. The customs authority may, through the procedure of administrative oversight provided for by this Law, adopt a decision on terminating, amending or recalling the preliminary decision adopted thereby or other customs authority. The decision on terminating the preliminary decision shall be adopted if the customs authority has found out that the information submitted for adopting a preliminary decision is unreliable and/or incomplete, and the unreliability and/or incompleteness thereof have affected the decision taken by the customs authority, or the documents are false.
10. The decision on termination of the validity of the preliminary decision shall enter into force following the day of its adoption.

11. The preliminary decision shall be amended in case of revealing mistakes made by the customs authority or the person having submitted the application when adopting the preliminary decision.
12. The decision of the customs authority on amending the preliminary decision shall enter into force within the time limits mentioned in the decision on amending the preliminary decision.
13. The preliminary decision shall be recalled where other requirements and conditions for determining the country of origin of goods are prescribed by the international treaties of the Republic of Armenia or the legislation of the Republic of Armenia.
14. The decision on recalling the preliminary decision shall be adopted by the customs authority within 30 calendar days after the publication of the legal acts referred to in part 13 of this Article, and it shall enter into force alongside thereto.
15. The decision on terminating, amending or recalling the preliminary decision shall be sent to the person on the day following the adoption of the decision on terminating, amending or recalling the preliminary decision.

**Article 72. Control over the decision on country of origin of the goods**

1. The customs authorities shall carry out control over determination of the country of origin of goods for the purpose of applying customs tariff and non-tariff regulatory measures.
2. Based on the results of carrying out control over determination of the country of origin of goods, the customs authority shall adopt a decision on the country of origin of goods and/or on granting tariff privileges in the form and the

procedure prescribed by the superior customs authority of the Republic of Armenia.

3. Where, in the process of carrying out control over determination of the country of origin the customs authority detects that the criteria for granting tariff privileges prescribed by the customs legislation of the Union have not been observed, it shall adopt a decision on refusing to grant tariff privileges wherein the grounds for refusal shall be mentioned.
4. Where, until the release of the goods, circumstances have been revealed which prove that the declared information on the country of origin of goods affecting the amount of customs duties and customs fees subject to payment and/or application of non tariff regulatory measures may be either unreliable or not duly approved, the customs authority shall perform additional check of the documents.
5. During the additional check the customs authority may require additional documents and information. The necessity for additional check shall not be a ground for rejecting the release of goods. The release of goods shall be carried out pursuant to the payment of the customs duties and taxes or to Article 63 of the Customs Code of the Union provided that the payment of the latter is ensured.
6. In case the customs authority adopts the decisions referred to in parts 2 and/or 3 of this Article, the said decisions shall, after releasing the goods, be sent to the declarant within a period of three working days following the adoption thereof. The levy of the unpaid customs duties and taxes shall be carried out in compliance with this Law.

## CHAPTER 12

### *RULES FOR DETERMINING CUSTOMS VALUE*

#### **Article 73. Customs value**

1. Customs value of goods imported across the customs border of the Union shall be determined in accordance with the Agreement of 25 January 2008 "On determining customs value of goods transported across the customs border of the Customs Union".
2. Customs value of goods exported across the border of the Republic of Armenia shall be the transaction price, i.e., the amount, which has been actually paid, is subject to payment or must have been paid in order to acquire the goods for the purpose of exporting them and transporting them up to the border of the Republic of Armenia.

#### **Article 74. Determining customs value**

1. Customs value of goods exported across the border of the Republic of Armenia shall, along with other information subject to declaration, be declared by the declarant or the customs representative.
2. Customs value of goods exported across the border of the Republic of Armenia shall be determined by the declarant, except for the cases provided for by this Law where it is determined by the customs authorities. Customs value shall be determined in accordance with the explanatory notes of Chapter VII of the General Agreement on Tariffs and Trade (Agreement on determining the

customs value) under the procedure prescribed by the Government of the Republic of Armenia.

3. With a view to determining the customs value, the customs authorities shall — within two working days after the declarant submits the documents prescribed by Article 78 of this Law — approve the customs value of the goods exported across the border of the Republic of Armenia and calculated pursuant to Article 78 of this Law. In the cases prescribed by point 3 of Article 86 of this Law, the customs value of the goods exported across the border of the Republic of Armenia and calculated pursuant to Article 78 of this Law shall be approved or rejected within one working day after the declarant submits additional documents and/or information to the customs authorities.
4. In case the customs value calculated based on the documents prescribed by Article 78 of this Law is rejected, the regional, specialised or border customs authorities shall inform the declarant in writing on the rejection of the customs value calculated by the method referred to in Article 78 of this Law within the time frames prescribed by the second paragraph of this Article by way of drawing up a rejection notice provided for by Article 86 of this Law.
5. In case of failure by the regional, specialised or border customs authorities to submit information to the declarant on the rejection of the customs value within the time frames prescribed by the second paragraph of this Article, the customs value determined by the declarant shall be deemed to be approved.

#### **Article 75. Constituents of customs value**

Customs value shall include:

- (1) the price for acquisition of goods in the country of export;

- (2) transportation, loading, unloading, transloading, insurance and other similar expenses incurred for the transportation of goods up to the border of the Republic of Armenia;
- (3) commission and intermediary (brokerage) expenses incurred for the transportation of goods up to the border of the Republic of Armenia, except for commission and intermediary (brokerage) expenses incurred for acquisition of goods;
- (4) the following values provided to the supplier by the buyer without compensation or with partial compensation, directly or indirectly for the purpose of producing or supplying goods exported across the border of the Republic of Armenia and apportioned to the exported goods as appropriate:
  - a. the value of materials, components and other similar items contained in the goods;
  - b. the value of use of tools and other similar items used in the production of the goods;
  - c. the value of materials consumed in the production of the goods;
  - d. the value of engineering, design, drafting and other similar works carried out in a country other than the importing country and required for the production of the goods;
- (5) direct or indirect payments or payable payments made by the buyer to the supplier for royalties and permits required for the sale of goods;
- (6) the value of containers, packets and packaging works;
- (7) amounts subject to payment by the buyer to the supplier for further sale, use or disposal of the goods exported across the border of the Republic of Armenia.

#### **Article 76. Inclusion of constituents in the customs value**

1. The expenses referred to in points 2-7 of Article 75 of this Law shall be included in the customs value, where they were not calculated in the price for acquisition of goods.

#### **Article 77. Expenses not included in the customs value**

1. Customs value shall not include:
  - (1) indirect taxes paid or payable in the exporting country and separately noted in the payment documents;
  - (2) transportation, loading, unloading, transloading, insurance, commission and intermediary (brokerage) expenses incurred for goods in the importing country;
  - (3) interests arising from the financial liabilities of the buyer with respect to the supplier, except for the amounts referred to in point 7 of Article 75 of this Law, where that interest rate does not exceed the average interest rate applied in similar transactions in the exporting country for the same or nearly the same time period;
  - (4) the value of information (software packs and etc.) included in electronic media;
  - (5) payments made for construction, installation, assembly, maintenance service or technical support works related to factories, machine-building tools or equipment after they are transported across the border of the Republic of Armenia, as well as other goods transported across the border of the Republic of Armenia, where such payments are not included in the amount actually paid or payable for those goods;

- (6) duties, taxes and other mandatory payments collected or collectable for the import of goods in the importing country, where they are not included in the amount actually paid or payable for the goods transported across the border of the Republic of Armenia.

**Article 78. Transaction price method of determining customs value**

1. In order to calculate the customs value of goods exported across the border of the Republic of Armenia by the transaction price method, the declarant must, along with the customs declaration, submit the following:
  - (1) a document on acquisition of goods which must contain information on the date of issue of the document, the serial number thereof, detailed description of the seller (consignor), buyer (consignee), the goods (name, where available, the trademark or trade name), information on pallets, quantities, unit of measurement, unit cost, weight, total cost, as well as the payment document or a document confirming obligation to make future payment (letter of guarantee or another document agreed upon by the seller and the buyer);
  - (2) documents substantiating transportation, loading, unloading, transloading, insurance and other similar expenses incurred for the purpose of transportation up to the border of the Republic of Armenia, where the obligation for incurring such expenses is borne by the buyer according to the terms of supply of goods.
2. Customs value of goods exported across the border of the Republic of Armenia shall be determined by transaction price method, where:
  - (1) the documents prescribed by part 1 of this Article have been submitted by the declarant;



- (2) there are no restrictions on disposal or use of goods by the buyer, except for the restrictions that:
  - a. are prescribed by law; or
  - b. limit the geographical area wherein the goods may be resold; or
  - c. do not significantly affect the cost of acquisition of the goods concerned;
- (3) the sale or price is not subject to any condition or compensation due to which the cost of acquisition of goods being evaluated cannot be determined;
- (4) any part of revenues from the future sale, disposal or use of goods by the buyer cannot be transferred to the seller directly or indirectly, unless it is possible to make an appropriate adjustment pursuant to the provisions of Article 75 of this Law;
- (5) the buyer and the seller are not related or where the buyer and the seller are related, but:
  - a. such relatedness has not affected the cost of acquisition of goods pursuant to the information submitted by the declarant; or
  - b. the cost of acquisition of goods acquired by the declarant is not at least 20 percent lower or higher than the cost of acquisition of identical or similar goods imported into the Republic of Armenia within the same or almost the same time period and acquired from an unrelated person, the customs value whereof has been determined during their importation in accordance with Article 80 or 81 of this Law; or

- c. the customs value determined by the declarant is not at least 20 percent lower or higher than the cost of identical or similar goods determined pursuant to Articles 82 or 83 of this Law; or
- d. the customs value determined by the declarant is not at least 20 percent lower or higher than the average customs value determined by the method provided for by Article 78 of this Law for identical or similar goods imported within the same or almost the same time period.

The customs authorities shall, while checking the information provided for by this part, take into consideration the differences indicated by the declarant among the levels of commercial transactions, the number of such transactions, as well as the expenses provided for by Article 75 of this Law during the calculation of the customs value which are incurred by the seller during the sale in case the seller and the buyer are not related, and which are not incurred by the seller during the sale in case the seller and the buyer are related. Checking of such information must be used at the initiative of the declarant and only for the purpose of comparison and no values replacing customs values may be established as a result thereof.

- 3. Irrespective of the provisions prescribed by parts 1 and 2 of this Article, where the customs authorities have grounds to believe that the documents submitted by the declarant are inaccurate or false, they shall use the information provided for by part 2 of Article 79 of this Law for the purpose of checking the accuracy of such documents, by way of submitting in writing, in case of rejection provided for by Article 86 of this Law, information substantiating such rejection and the sources thereof.

#### **Article 79. Determination of customs value by customs authorities**

1. When determining the customs value pursuant to Article 78 of this Law — in case it is impossible to determine the customs value due to absence of expenses prescribed by Article 75 and lack of information provided for by Article 78 of this Law — the customs value shall be determined by the customs authorities in the order prescribed by Article 85 of this Law.
2. For the purpose of determining the customs value in accordance with point 1 of this Article, the customs authorities shall use both the information at their disposal and the information provided by the declarant, and the information obtained from the state bodies of the Republic of Armenia and foreign states, as well as from other sources not prohibited by law. The procedure for provision of information by the state bodies of the Republic of Armenia to the customs authorities of the Republic of Armenia for the purpose provided for by this point shall be prescribed by the Government of the Republic of Armenia.

#### **Article 80. Determining customs value according to the transaction price for identical goods**

1. The customs value of goods exported across the border of the Republic of Armenia shall be determined based on the transaction price for identical goods sold in the same or nearly the same quantity in the same or nearly the same time period for the export to the importing country, by making adjustments conditioned by the differences of commercial levels and/or the quantities of goods.
2. While making the adjustment, the differences between the transportation expenses and payments for goods transported by various vehicles from various distances, as well as those for identical goods observed shall be taken into consideration.

3. Where it becomes clear from the application of this Article that there are more than one transaction prices for identical goods, the lowest price shall be taken as a basis for determining the customs value of the imported goods.

**Article 81. Determining customs value according to the transaction price for similar goods**

1. The customs value of goods exported across the border of the Republic of Armenia shall be determined based on the transaction price for the export to the importing country of similar goods sold in the same or nearly the same quantity in the same or nearly the same time period, by making adjustments conditioned by the differences in the commercial levels and/or quantities of goods. Such adjustments must be based on existing facts, irrespective of the circumstance whether the transaction price will go higher or lower as a result of the adjustment.
2. While making the adjustment, the differences between the transportation expenses and payments for goods transported by various vehicles from various distances, as well as those for similar goods observed shall be taken into consideration.
3. Where it becomes clear from the application of this Article that there are more than one transaction prices for similar goods, the lowest price shall be taken as a basis for determining the customs value of the imported goods.

**Article 82. Determining customs price for goods exported across the border of the Republic of Armenia based on the sales price of unit of goods in the domestic market of the Republic of Armenia**

1. Where goods exported across the border of the Republic of Armenia or identical or similar goods as compared with such goods are sold in the same form in the domestic market of the Republic of Armenia, their customs value shall be determined by the largest gross amount based on the sales price of a unit of those goods or the same or similar goods compared with such goods in the same or nearly the same time period taking into consideration the deductions referred to in point 2 of this Article and increases referred to in point 3 of this Article.
2. The taxes and other mandatory payments subject to payment for sales in the Republic of Armenia shall be the deductions referred to in point 1 of this Article.
3. The expenses incurred for storage, transportation, insurance and other similar expenses of such goods within the territory of the Republic of Armenia shall be the increases referred to in point 1 of this Article.
4. The procedure for determining the largest gross amount shall be prescribed by the Government of the Republic of Armenia.

**Article 83. Determining customs value according to the estimated value**

1. The customs value of goods exported across the border of the Republic of Armenia shall be determined based on their calculated value, which consists of:
  - (1) the value of materials used during the production of goods exported across the border of the Republic of Armenia and the value of processing;
  - (2) the profit usually generated and general expenses incurred in the Republic of Armenia during the sale of the same type of goods specified by the producers for the export into the importing country;

- (3) transportation, loading, unloading, transloading, insurance and other similar expenses usually incurred for transporting goods of the same type up to the border of the Republic of Armenia in the same or nearly the same quantity and in the same or nearly the same time period;
  - (4) commission and intermediary (brokerage) expenses usually incurred in the same or nearly the same time period for transportation of goods of the same type up to the border of the Republic of Armenia in the same or nearly the same quantity, except for commissions and intermediary (brokerage) expenses incurred for acquisition of goods.
2. Pursuant to this Article, in order to determine the customs value, the customs authorities of the Republic of Armenia may, upon the consent of the producer, verify the information provided by the producer for determination of customs value, including in some other country, after notifying in advance and in due order the government of that country of their intention to conduct an expert examination, where the government of that country does not have any objections to conducting such expert examination.

**Article 84. Fall-back method of determining customs value**

1. Where it is impossible to determine the customs value of goods exported across the border of the Republic of Armenia based on the mentioned rules for determining the customs value prescribed by this Section, it shall be determined by other means that are in line with the principles and general provisions of the General Agreement on Tariffs and Trade, based on the data available in the Republic of Armenia. Moreover, it shall not comprise:
  - (1) any option that takes as a basis the highest value of the two alternative customs values;

- (2) production costs, except for the calculated values determined for identical or similar goods in accordance with Article 83 of this Law;
- (3) minimum or maximum customs values;
- (4) arbitrary values.

**Article 85. Order of application of rules for determining customs value**

1. The rules for determining customs value referred to in Articles 78-84 of this Law shall be applied in the given order, except for the case referred to in point 2 of this Article.
2. Upon the request of a declarant, the order of application of rules provided for by Articles 82 and 83 of this Law shall be changed. In case of absence of such request, the established order shall be applied. Where it is impossible to determine, upon such request, the customs value by applying the rule provided for by Article 84 of this Law, it shall be determined under the procedure provided for by Article 83 of this Law.

**Article 86. Disagreement with the decisions adopted by the customs authority or official thereof with regard to determination of customs value**

1. Where there is a necessity for verification, by the customs authorities and under the procedure prescribed by this Code, of the credibility of the customs value declared by the declarant and the accuracy of the method whereby it was determined, customs formalities and release of goods shall be carried out according to the customs value (transaction price) declared by the declarant, where the security of payment of customs duty and taxes in proportion to the disputable amounts of customs payments is guaranteed for up to 60 days period

for the purpose of further payment, upon the adopted final decision, of the positive difference of recalculated customs payments and made customs payments to the State Budget.

2. In case territorial (regional, specialised or border) customs authorities disagree with the customs value declared by the declarant or with the method whereby it was determined, they shall, within the time period prescribed by this Law, draw up and provide the declarant with a rejection notice in the form prescribed by the superior customs authority, substantiating the reasons for not accepting the amount of customs value declared by the declarant and the method of determining it, as well as indicating the address of the superior customs authority or the official with which the declarant may file an appeal. Along with the rejection notice, the territorial customs authorities shall submit to the declarant the amount of the customs value and the method of determining it, as well as substantiating the infeasibility to determine the customs value of goods according to the methods of determining customs value in the order provided for by Article 85 of this Law.
3. Before adopting a final decision on rejecting to calculate the customs value according to the transaction price method but no later than within two working days following the submission by the declarant of the documents prescribed by Article 78 of this Law, the regional, specialised or border customs authorities shall submit in writing to the declarant the circumstances that hinder the approval of the customs value calculated according to the transaction price method and shall suggest the declarant to submit additional documents and/or information in writing within five working days, as a result of examination whereof they shall, within one working day following the submission of the specified documents and/or information, render a decision on rejecting to calculate the customs value according to the transaction price method or shall approve the customs value submitted by the declarant.



4. In case the customs authorities disagree with the amount of customs value and the method of determining it, the declarant may, within 10 days following the receipt of the rejection notice, file an appeal with the superior customs authority or court. The superior customs authority shall be obliged to render a relevant decision and inform the declarant thereon within a period of 30 days. Appealing shall not discharge the declarant from liabilities with regard to the subject of appeal within the prescribed time frames. Moreover, the fact of appeal provided for by this point shall not serve as a ground for imposing sanctions other than penalties and fines prescribed by law for failure of making customs payments within the prescribed time frame.

#### **Article 87. Adjustment of customs value**

1. Pursuant to Article 68 of the Customs Code of the Union, the decision on the adjustment of the declared customs value of goods during the control of the customs value shall be adopted by the customs authorities both before and after the release of goods, where the customs authorities or the declarant have revealed that inaccurate information has been declared, as well as a wrong method for determining the customs value of goods has been chosen and/or the customs value of goods has been determined erroneously. The decision on the adjustment of the customs value, rendered by the customs authorities, must contain a substantiation thereon and the time frame for fulfilment thereof.
2. The decision on the adjustment of the declared customs value during the control of the customs value shall be adopted by the customs authorities before the release of goods without additional inspection in the following cases:
  - (1) revealing a discrepancy in the information actually submitted to the customs authority and the the declared information having affected the amount of the customs value in the process of customs control (qualitative and

commercial characteristics, quantity, peculiarities, origin, value and other information);

- (2) revealing a discrepancy in the amount of the declared customs value and the components and the documents submitted for the approval thereof;
  - (3) revealing errors having affected the amount of the customs value (misprints, arithmetic errors, inaccurate application of exchange rate and other errors).
3. In case a decision on the adjustment of the customs value is adopted by the customs authority after the release of goods, the declarant shall carry out adjustment of inaccurate information and shall make customs payments taking into consideration the adjusted data in the form prescribed by the superior customs authority.

**Article 88. Clarifications on issues pertaining to the customs value of goods**

1. Customs authorities shall, as prescribed by this Law, provide persons with clarifications on issues pertaining to the customs value. While providing clarifications, the customs authorities shall not have the right to carry out verification of documents and adopt preliminary decisions on the customs value.

## SECTION II

### CUSTOMS FEES

#### CHAPTER 13

##### *GENERAL PROVISIONS ON CUSTOMS PAYMENTS*

###### **Article 89. Customs payments**

1. Customs duty, VAT, excise tax and customs fee paid to the customs authorities shall be deemed to be customs payments.
2. In case of import of goods from the states that are not members of the Union, customs duties shall be calculated according to the rates of the Common Customs Tariff of the Union, except for the customs duties for import of goods within the time frames provided for by Annex 4 of the Treaty on accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union of 29 May 2014, wherefore the rates other than the Common Customs Tariff of the Union are prescribed.
3. Customs duty rate of 0 percent shall be prescribed for goods exported from the Republic of Armenia. Other customs duty rates may be prescribed by law for goods exported from the Republic of Armenia.
4. The relations pertaining to taxes and other fees subject to payment to the customs authorities shall be regulated by the laws of the Republic of Armenia.

#### **Article 90. Payers of customs duty and taxes**

1. The declarant or persons bearing the obligation of paying customs duty and taxes pursuant to the Customs Code of the Union, laws of the Republic of Armenia, international treaties of member states of the Union and this Law shall be deemed to be payers of customs duty and taxes.

#### **Article 91. Time frames for paying customs duty and taxes**

1. The time frames for paying customs duty and taxes shall be prescribed by the Customs Code of the Union and laws of the Republic of Armenia.
2. In the cases prescribed by sub-points 2 and 4 of Article 194 of the Customs Code of the Union, the customs duty and taxes shall be paid prior to or alongside the submission of a customs declaration.

#### **Article 92. Procedure for paying customs duty and taxes**

1. Import customs duty shall, except for the customs duty for goods imported by natural persons for personal use, be paid to the unified account prescribed by the international treaties of member states of the Union and may not be offset at the expense of other fees.
2. Customs duties and taxes for transportation, by natural persons, of goods for personal use across the border of the Republic of Armenia shall be paid to the State Budget of the Republic of Armenia.
3. Special anti-dumping and compensation duties prescribed by the Commission of the Union shall be paid to the unified account prescribed by the international treaties of member states of the Union.

4. Special anti-dumping and compensation duties imposed unilaterally by the Republic of Armenia shall be paid to the State Budget of the Republic of Armenia.
5. Export customs duties provided for by the law of the Republic of Armenia shall be paid to the State Budget of the Republic of Armenia.
6. Import customs duties may be paid prior to submission of the customs declaration, under the procedure prescribed by this Law and the international treaties of member states of the Union.
7. Special anti-dumping and compensation customs duties prescribed by the Commission of the Union shall be paid under the procedure prescribed by the international treaties of member states of the Union.
8. Customs duty, taxes and customs fee shall be paid to the State Budget of the Republic of Armenia in drams of the Republic of Armenia.

**Article 93. Application of exchange rates**

1. Calculation of customs value of goods, customs duty and taxes shall be carried out in drams of the Republic of Armenia.
2. For the purpose of re-calculating foreign currency, the average market exchange rate announced by the Central Bank of the Republic of Armenia as of the day of registration of the customs declaration shall be applied, unless otherwise provided for by the legislation of the Union and of the Republic of Armenia.

**Article 94. Procedure for paying customs duty and taxes for goods placed under customs procedure "Release for domestic consumption" and conditionally released in the Republic of Armenia**

1. Pursuant to sub-points 1 and 3 of part 1 of Article 200 of the Customs Code of the Union, in order for the goods conditionally released into the territory of the Republic of Armenia under customs procedure "Release for domestic consumption" to acquire the status of goods of the Union, the payment of customs duty and taxes provided for by part 5 of Article 200 of the Customs Code of the Union may be made by the declarant or the person authorised thereby or any other person having the right to legal possession of those goods.
2. Payment of the amounts of customs duty and taxes referred to in part 1 of this Article shall be made by the persons referred to in the same part, based on the application submitted to the customs authority having carried out the conditional release of goods. The application submitted to the customs authority shall contain notes on:
  - (1) the number of the customs declaration serving as a ground for conditional release of goods;
  - (2) the requisites of payment documents related to the payment of customs duty and taxes.
3. The customs duties and taxes for goods referred to in sub-point 1 of part 1 of Article 200 of the Customs Code of the Union shall be paid in the amounts calculated in the customs declaration submitted for the purpose of conditional release of goods, yet not paid as a result of benefits provided for by the legislation.
4. Customs duty shall be paid for goods referred to in sub-point 3 of part 1 of Article 200 of the Customs Code of the Union in the amount of the positive difference of the amounts calculated according to the import customs duty rate

prescribed by the Common Customs Tariff of the Union and of the amounts of import customs duty actually paid during the release of goods.

5. The customs duties and taxes provided for by part 1 of this Article shall be paid to the relevant accounts provided for by this Law.
6. The payment of customs duties and taxes provided for by part 1 of this Article shall be confirmed through provision, by the customs authority, of a receipt of payment of customs duty and taxes to the declarant or the person authorised thereby in the form prescribed by the superior customs authority.
7. Pursuant to part 1 of this Article, no penalties for the amounts of customs duty and taxes chargeable shall be calculated and paid.

## **CHAPTER 14**

### ***CUSTOMS FEES***

#### **Article 95. Customs fee**

1. Customs fee shall be a mandatory fee record-registered in the State Budget which is paid under the procedure and in the amount prescribed by this Law and is directed towards developing the customs affairs and ensuring the material and technical and social base of customs authorities.
2. Customs fee shall be paid for the purpose of actions aimed at carrying out customs formalities, as well as provision of temporary storage, customs escort and preliminary decisions by the customs authorities, prescribed by Article 72 of the Customs Code of the Union.

3. During the first quarter of each year, the superior customs authority shall submit to the Government of the Republic of Armenia a report on the disposal of the amounts of customs fee over the previous year.

#### **Article 96. Payers of customs fee**

1. Persons referred to in Article 90 of this Law shall be deemed to be payers of customs fees for customs procedures and for customs escort.

#### **Article 97. Rates of customs fee**

1. Customs fee in the amount of AMD 3 500 shall be collected for carrying out customs formalities (except for the inspection and record-registration of goods) of goods and vehicles transported across the border of the Republic of Armenia, as well as currency and foreign currency transported by banks.
2. The customs fee for inspection and record-registration of goods, except for goods transported by pipelines and power lines, shall be collected in the following amounts:
  - (1) AMD 1 000 for customs control of goods declared in a single customs declaration and weighing up to one tone;
  - (2) AMD 300 for each extra (or incomplete) tone of goods declared in a single customs declaration and weighing more than one tone.
3. The customs fee for customs control and record-registration of goods transported by pipelines and power lines shall be collected in the amount of AMD 500 000 for each consignment of goods transported during one month to the same direction under the same contract.



4. The customs fee for carrying out customs formalities of goods or other separate actions related thereto in places and at working hours that are not prescribed by customs authorities shall be collected in the amount of twofold of the rates prescribed by this Article.
5. Customs fee in the amount of AMD 1000 shall be collected for the provision of each document (form) by customs authorities. The list of documents referred to in this point shall be approved by the superior customs authority.
6. Customs fee in the amount of AMD 10 000 shall be collected for each 100 km of customs escort of goods across the territory of the Republic of Armenia. Moreover, in the cases prescribed by Article 218 of the Customs Code of the Union, the customs authority may adopt a decision on mandatory escort of goods, and otherwise — customs escort during the customs transit shall be carried out upon the wish of the transporter, based on the written application thereof.
7. Customs fee for temporary storage shall be collected by the customs authorities in the following amounts:
  - (1) AMD 1 000 per day for up to one tone;
  - (2) AMD 300 per day for each extra (or incomplete) tone exceeding one tone.
8. Customs fee for temporary storage of goods requiring special conditions of storage shall be collected in the amount of twofold of the rates provided for by point 7 of this Article.
9. Customs fee for customs control over vehicles shall be collected in the following amounts:
  - (1) AMD 2 000 for a passenger car having up to 10 seats;
  - (2) AMD 5 000 for other vehicles.

10. For the provision of a preliminary decision, by the customs authority, on the classification of goods under the procedure prescribed by this Law, customs fee in the amount of AMD 30 000 shall be collected for each preliminary decision.

#### **Article 98. Benefits of customs fee**

1. The following shall be exempt from customs fee:
  - (1) goods imported into the territory of the Republic of Armenia within the scope of humanitarian aid and charity programmes. The authorised body of the Government of the Republic of Armenia that co-ordinates the humanitarian aid shall determine the differentiation of the programme according to its nature, unless explicitly specified by the legislation (including international treaties);
  - (2) vehicles carrying out regular international transportations — in the course of carrying out those transportations;
  - (3) goods enjoying benefits of customs duties and taxes and transported by natural persons across the state border of the Republic of Armenia;
  - (4) light passenger vehicles record-registered in the member states of the Union and transported by natural persons across the border of the Republic of Armenia;
  - (5) cultural values registered or subject to registration in the Republic of Armenia under the prescribed procedure and placed under customs procedure "Temporary export" or Temporary import", as well as, following the expiry of the time frame thereof — under procedures "Re-export" and "Re-import", respectively, for the purpose of exhibition thereof;
  - (6) goods the total customs value whereof does not exceed the amount equivalent to EUR 200, which are transported across the border of the

Republic of Armenia from a transporter to a consignee according to a single transportation document.

2. Other benefits of customs fee may be prescribed by the law of the Republic of Armenia.

***(Article 98 amended by HO-81-N of 16 May 2016, supplemented by HO-146-N of 28 September 2016)***

#### **Article 99. Paying and refunding customs fee**

##### **Liability for failure to pay customs fee**

1. Amounts of customs fee paid in excess of the amount calculated as prescribed by this Law and other legal acts shall, upon the wish of the payer, be offset by customs authorities at the expense of other liabilities payable to the customs authorities or shall be refunded no later than within 30 days following the receipt of the payer's application for refund.
2. Application for refund of a customs fee collected in excess or for offset thereof at the expense of other liabilities shall be accepted after the payment thereof.
3. The amount of customs fee not paid or underpaid by persons transporting goods shall be collected by customs authorities within three years after the liability for payment thereof arises.
4. Customs fee shall be paid in the currency of the Republic of Armenia.
5. In case of delaying the payment of customs fee by violating the time frames prescribed, a penalty in the amount of 0.15 percent of the amount of customs fee not paid in due time, but not more than for 365 days shall be collected from the payer for each day overdue.

#### **Article 100. Time limits for paying customs payments**

1. Within the scope of customs procedures, customs fees must be paid along with the submission of the customs declaration.
2. Customs fees for customs escort must be paid before the beginning of actual performance of the customs escort.
3. Customs fees for temporary storage must be paid before actually removing the goods from the storage of the customs authority.
4. Customs fees for preliminary decisions must be paid before provision of preliminary decisions by the customs authorities.

### **CHAPTER 15**

#### ***CHANGING THE TIME FRAMES FOR PAYMENT OF CUSTOMS DUTY AND TAXES***

#### **Article 101. Changing the time frames for payment of customs duty and taxes**

1. Changing the time frames for payment of customs duty and taxes shall be the prolongation of the time frames for payment of customs duty and taxes, prescribed by this Law and the legislation of the Republic of Armenia.
2. Changing the time frames for payment of customs duty shall be made in the form of postponed payment or deferred payment, upon the existing grounds and conditions, as well as under the procedure prescribed by international treaties of member states of the Union.

3. Conditions of, grounds and procedure for changing the time frames for payment of taxes shall be prescribed by the Tax Code of the Republic of Armenia.

**Article 102. General conditions of changing the time frames for payment of customs duty**

1. Postponement of the payment of customs duty shall be the provision of the opportunity to the declarant or the person authorised thereby to make a payment of customs duty after the prescribed time frame for payment.
2. The Government of the Republic of Armenia shall define the list of goods, in case of import whereof the time frame for payment of the calculated customs duty may be changed as prescribed by this Article and international treaties of the Union.
3. Deferred payment of customs duty shall be the provision of the opportunity to the declarant or the person authorised thereby to make a payment of customs duty after the prescribed time frame and make a payment of customs duty by instalments.
4. Postponement of the payment of customs duty or the possibility of deferred payment may be provided only in case of availability of the securities provided for by Chapter 12 of the Customs Code of the Union.
5. Interests shall be calculated in the amount prescribed by this Law, where changes are made in the time frames for paying customs duties for goods imported into the Republic of Armenia.
6. The superior customs authority shall confirm the existence of grounds for providing the opportunity of postponement of the payment of customs duty provided for by international treaties of member states of the Union or deferred payment thereof.

7. The decision on providing or rejecting the opportunity of postponement of the payment of customs duty or deferred payment thereof shall be adopted no later than within five days from the day of submission of the application. Provision of the opportunity of postponement of the payment of customs duty or deferred payment thereof may be rejected exclusively in the cases prescribed by international treaties of member states of the Union.
8. The opportunity of postponement of the payment of customs duty or deferred payment thereof shall be provided for the time frame requested by the declarant but not more than for six months.
9. The written decision on providing or rejecting the opportunity of postponement of the payment of customs duty or deferred payment thereof shall be submitted to the person having submitted the application.
10. The decision shall contain the time frame wherefore the opportunity of postponement of the payment of taxes or deferred payment thereof is provided, and in case of rejection, the decision shall contain the grounds for rejection.
11. The written decision on providing the opportunity of making a deferred payment shall also contain the schedule for paying the customs duty.

### **Article 103. Interests**

1. Interests shall be paid in the amount of settlement rate of bank interest established by the Central Bank of the Republic of Armenia (re-calculated daily), in case the opportunity of postponement of the payment of customs duty or deferred payment thereof is provided.
2. The interests shall be paid within one working day following the expiry of the time frame for the postponement of payments of customs duty and taxes or deferred payment thereof.

## CHAPTER 16

### *SECURITY OF PAYMENT OF CUSTOMS DUTY AND TAXES*

#### **Article 104. General conditions of securing payment of customs duty and taxes**

1. Securing the payment of customs duty and taxes shall be carried out pursuant to the Customs Code of the Union, international treaties of member states of the Union, as well as this Chapter.
2. Securing the payment of customs duty and taxes shall be performed:
  - (1) in case of release of goods under the procedure and conditions prescribed by point 2 of Article 69 and point 5 of Article 88 of the Customs Code of the Union;
  - (2) in case of release of goods pursuant to part 4 of Article 63 of this Law;
  - (3) in case of conditional release of goods pursuant to sub-point 1 of point 1 of Article 200 of the Customs Code of the Union;
  - (4) while carrying out activities in the field of customs affairs by persons, in the cases provided for by this Law;
  - (5) in other cases prescribed by this Law and the laws of the Republic of Armenia.
3. Security of the payment of customs duty and taxes may be envisaged for single or multiple use.
4. Security of the payment of customs duty and taxes envisaged for single use shall be provided for goods of the same consignment transported by a single

consignor in the name of a single consignee, based on the same foreign trade agreement.

5. The amount of security of payment of customs duty and taxes shall be determined pursuant to the Customs Code of the Union.
6. The amount of security of payment of customs duty and taxes shall also include the customs fees subject to payment for customs procedures.
7. The superior customs authority may establish the amounts of security of payment of customs duty and taxes for separate goods.
8. Securing the payment of customs duty and taxes shall be carried out by persons provided for by this Law and Customs Code of the Union, and in case of transportation of goods pursuant to customs procedure "Customs transit", it may also be carried out by other persons having the right to possess, use and/or dispose of transit goods.
9. Security of the payment of customs duty and taxes shall be provided to the customs authority that carried out the release of goods, except for the cases prescribed by the Customs Code of the Union and this Law.
10. Security of payment of customs duty and taxes during the transportation of goods under customs procedure "Customs transit" may be provided to the customs authority of place of departure or the customs authority of the place of destination.
11. The customs authority accepting the security of payment of customs duty and taxes shall provide a receipt confirming the acceptance of the security, which shall be reciprocally recognised by the customs authorities of the Union. The procedure for provision of a receipt by customs authorities and the form, as well as the validity period thereof shall be prescribed by the international treaties of member states of the Union.



12. The security of payment of customs duty and taxes shall not be accepted by customs authorities in the cases prescribed by the Customs Code of the Union and this Law.

13. *(part repealed by HO-81-N of 16 May 2016)*

*(Article 104 amended, supplemented by HO-81-N of 16 May 2016)*

#### **Article 105. Multiple security of payment of customs duty and taxes**

1. A person regularly carrying out foreign economic activity across the border of the Republic of Armenia may submit, to the customs authorities, multiple security of payment of customs duty and taxes for all the transactions affected thereby during at least one year.
2. Multiple security of payment of customs duty and taxes may be submitted to one and more customs authorities.
3. Multiple security may be provided in the form of pledge of monetary funds, suretyship or bank guarantee.
4. Upon the wish of a person, the amount of multiple security may be increased by re-formulating the bank guarantee, involving a pledge of monetary funds, making the relevant amendments to a contract on suretyship.
5. Control over multiple security shall be carried out by the customs authority (authorities) having accepted it.

**Article 106. Means of securing the payment of customs duty and taxes**

1. Securing the payment of customs duty and taxes shall be performed by:
  - (1) investment of monetary funds (pledge of monetary funds);
  - (2) guarantee;
  - (3) suretyship;
  - (4) pledge of property.

*(Article 106 amended by HO-81-N of 16 May 2016)*

**Article 107. Pledge of monetary funds as a means of securing the payment of customs duty and taxes**

1. For the purpose of securing the payment of customs duty and taxes, the monetary funds shall be credited to the unified account. Monetary funds for goods transported by natural persons for their personal use shall, as a means of securing the payment of customs duty and taxes, be credited to the relevant treasury accounts of the Republic of Armenia.
2. In case of failure to fulfil the obligation of making customs payments, the customs authority shall be entitled to collect — under the procedure prescribed by this Law — the amounts equivalent to the non-discharged liabilities from the monetary funds invested as a means of securing the payment of customs duty and taxes.
3. In order to confirm that the pledge of monetary funds has been credited to the relevant treasury accounts of the Republic of Armenia or the unified treasury account, the person having invested the monetary funds shall be given a receipt, the form and procedure of the application whereof shall be prescribed by the superior customs authority. The receipt may not be transferred to another

person. In case of loss of the receipt, the customs authority having provided it shall, based on the application of the person having invested the monetary funds, provide the copy of the receipt within one working day.

4. The funds invested for the purpose of securing the payment of customs duty and taxes, which have not been used or have been partially used, may be offset at the expense of liabilities related to customs payments, and in case of absence thereof, the funds shall be returned.
5. The relevant customs authority shall — three working days before collecting customs duty and taxes at the expense of the amount of multiple security — be obliged to inform thereon the person having submitted a multiple security.

#### **Article 108. Guarantee**

*(Title amended by HO-81-N of 16 May 2016)*

1. For the purpose of securing the payment of customs duty and taxes, customs authorities may accept guarantees, which shall be provided by banks, credit organisations or insurance companies licensed as prescribed by the legislation of the Republic of Armenia.
2. Legal relations pertaining to provision of and requirements for a guarantee, termination of the obligations of the person having issued a guarantee and termination of a guarantee shall — with regard to regulations other than the regulations provided for by this Law — be regulated by the Civil Code of the Republic of Armenia, banking legislation of the Republic of Armenia and other legal acts.
3. The declarant or the person authorised thereby shall ensure the irrevocability of a guarantee provided for the purpose of this Law. The guarantee shall contain notes on:

- (1) liabilities of the payer of customs duty and taxes (principal), the due discharge whereof shall be secured by the guarantee;
  - (2) the indisputable right of the customs authority of making deductions of the amounts of customs duty and taxes from the amount given by guarantee by the person having issued the guarantee in case of non-discharge of liabilities of the payers of customs duty and taxes, secured by the guarantee,
  - (3) the obligation of the person having issued the guarantee to pay a penalty in the amount of 0.15 percent of the amount not paid for each calendar day, in case of delaying the payment of customs duty and taxes;
  - (4) a condition — the fact of availability of monetary funds for discharge, by guarantee, of liabilities of the person having issued a guarantee on the state treasury account and/or the account defined by the international treaty of member states of the Union;
  - (5) the validity period of the guarantee;
  - (6) number of the license for carrying out the relevant activity.
4. The validity period of the provided guarantee may not exceed 36 months and must be sufficient for the customs authority to submit a request with regard to the guarantee to the person having issued a guarantee in case of non-discharge of the liabilities secured by the guarantee.
  5. The guarantee must have entered into force at the moment of submission thereof to the customs authority.
  6. ***(part repealed by HO-81-N of 16 May 2016)***
  7. The customs authority shall study the guarantee within three working days following the receipt thereof for the purpose of accepting or rejecting it.

8. In case of accepting the guarantee, the customs authority shall provide the payer of customs duty and taxes with a receipt.
9. The acceptance of the guarantee shall be rejected, where:
  - (1) the guarantee does not comply with the standards provided for by the legislation of the Republic of Armenia and part 3 of this Article;
  - (2) the total amount of customs duty and taxes secured by guarantee is insufficient for the payment of the amounts of customs duty and taxes subject to payment by the declarant;
  - (3) the time frame of the guarantee is less than the time frame for discharge of liabilities with regard to customs duty and taxes by the declarant;
  - (4) the license of the bank, credit organisation or insurance organisation having provided the guarantee, prescribed by law, for carrying out the banking activity, is missing;
  - (5) the decision on rejection has been rendered within the scope of discretionary powers vested by law with the customs authorities.
10. In case of refusing to accept the guarantee, the customs authority shall, within the time frame prescribed by part 7 of this Article, inform thereon the person having submitted a guarantee, by specifying the reasons serving as a ground for rejection.
11. The customs authority shall return the guarantee based on the written application of the payer of customs duty and taxes, where the liabilities secured by the guarantee have been discharged and/or terminated, or no liability has arisen.
12. In case of termination, by the Central Bank of the Republic of Armenia, of the validity of the license for the right of carrying out insurance activity of a bank, credit organisation or insurance organisation, the payer of customs duty and

taxes having submitted a guarantee for that bank, credit organisation or insurance company shall be obliged to submit, from the day of termination of the license, a security of the payment of customs duty and taxes to the customs authority from an organisation having the license for the right of carrying out the relevant activity. In case of failure to submit guarantee or another means of security of payment of customs duty and taxes within the time frame prescribed by this part, the time frame for the payment of customs duty and taxes by the person may not be extended.

***(Article 108 amended, supplemented, edited by HO-81-N of 16 May 2016)***

#### **Article 109. Suretyship**

1. Suretyship shall be formulated by the contract on suretyship concluded between the customs authority and the guarantor. Legal relations pertaining to provision of and requirements for suretyship, termination of the obligations of the guarantor and termination of a contract on suretyship shall be regulated by the Civil Code of the Republic of Armenia and this Law.
2. In case of securing the payment of customs duty and taxes by suretyship, the guarantor shall submit to the customs authority two copies of the contract on suretyship signed and/or concluded thereby, as prescribed by the civil legislation of the Republic of Armenia, as well as the written consent of the payer of customs duty and taxes on guaranteeing the payments of customs duty and taxes by the guarantor.
3. The contract on suretyship must comply with the standards prescribed by the legislation of the Republic of Armenia and must contain notes on the amount of liability secured by suretyship, joint liability of the payer of customs duty and taxes and the validity period of the contract on suretyship.

4. Securing of the payment of customs duty and taxes may not be carried out by the same contract on suretyship for the time period exceeding two years.
5. The offer for concluding a contract on suretyship shall be studied by the customs authority within five working days following the submission of the documents to the customs authority.
6. In case of concluding a contract on suretyship, the customs authority shall provide the payer of customs duty and taxes with a receipt, in the amount of the liability secured by suretyship.
7. The acceptance of the contract on suretyship shall be rejected, where:
  - (1) the contract on suretyship submitted does not comply with the standards prescribed by the legislation of the Republic of Armenia and this Law;
  - (2) the amount secured by the contract on suretyship is less than the amount of customs duty and taxes subject to payment;
  - (3) the time frame of the contract on suretyship is shorter than the time frame for discharge of liabilities with regard to customs duty and taxes;
  - (4) the decision on rejection has been rendered within the scope of discretionary powers vested by law with the customs authorities.
8. In case of refusing to conclude a contract on suretyship, the customs authority shall, within the time frame prescribed by part 5 of this Article, inform thereon the person having offered a contract on suretyship, specifying the reasons serving as a ground for rejection.
9. The customs authority shall not incur the expenses connected with the conclusion of a contract on suretyship.

***(Article 109 amended by HO-81-N of 16 May 2016)***

## **Article 110. Pledge of property**

1. Pledge of property shall be formulated by the contract concluded between the customs authority and payer of customs duty and taxes. Security of payment of customs duty and taxes by pledge of property for the transportation of goods under customs procedure "Customs transit" may also be submitted by the person having the right to possess and/or use and/or dispose of goods being collateral, in case of availability of the relevant notary-certified document confirming the relevant power or the title to the collateral.
2. Legal relations pertaining to the conclusion of a contract of pledge of property, discharge of liabilities with regard to customs duty and taxes secured by a pledge, levy of execution upon the pledged property, termination of pledge shall be regulated by the civil legislation of the Republic of Armenia and this Law.
3. For the purposes of this Article, property which is a collateral according to the civil legislation of the Republic of Armenia, may be pledged, except for:
  - (1) the property located outside the borders of the Republic of Armenia;
  - (2) the pledged property;
  - (3) animals and perishable goods;
  - (4) organisations;
  - (5) property rights;
  - (6) securities;
  - (7) pledge of goods in circulation;
  - (8) products and industrial wastes, free sale whereof is prohibited pursuant to the legislation of the Republic of Armenia;



- (9) property, levy of execution whereupon, pursuant to the legislation of the Republic of Armenia, is carried out exclusively upon the decision of the court.
4. The collateral must be located in the territory of the Republic of Armenia during the validity period of the contract of pledge.
  5. In order to determine the market price of the collateral, evaluation of the collateral shall be carried out in accordance with the legislation of the Republic of Armenia.
  6. For the purpose of securing the payment of customs duty and taxes by pledge of property, the person shall, as prescribed by the civil legislation of the Republic of Armenia, submit to the customs authority two copies of the signed and concluded contract of pledge of property, as well as the original copies or the notary-certified hard copies of documents confirming the title to the collateral and the market value thereof.
  7. The contract of pledge of property must contain the following conditions:
    - (1) it shall not be permitted to pledge the pledged property during the validity period of the contract of pledge of property;
    - (2) the person shall not have the right to dispose of the collateral without the consent of the customs authority;
    - (3) the pledgor shall be obliged to insure, at his or her expense, the collateral;
    - (4) the pledgor shall carry out the evaluation of the collateral at his or her expense;
    - (5) replacement of the collateral with other equivalent property formulated by an additional agreement attached to the contract of pledge of property shall be permitted upon the written consent of the customs authority;

- (6) in case of levy of execution upon the collateral, the expenses incurred with regard to the sale thereof shall be compensated at the expense of monetary funds obtained from the sale of the collateral, and in case of insufficiency thereof — at the expense of the pledgor;
  - (7) for the purpose of satisfying his or her claim, a pledgee shall have the right, without applying to court, to levy execution upon the collateral and realise it including to transfer the pledged property to the ownership of the pledgee or a third person mentioned by the pledgee for the corresponding amount of the principal obligation, except for the collateral that is recognised by law or other legal act as a property of significant historical, artistic or cultural value for the society.
8. The contract of pledge of property may be concluded where the market value of the collateral exceeds, by more than 20 percent, the amount necessary for securing the payment of customs duty and taxes.
9. The contract of pledge of property may be concluded by leaving the collateral with the pledgor or transferring it to the customs authority.
10. The customs authority shall study the offer for concluding a contract of pledge of property maximum within five working days.
11. In case of concluding a contract of pledge of property, the customs authority shall provide the pledgor with a receipt on the amount of customs duty and taxes secured by the pledge of property.
12. The customs authority shall reject the conclusion of a contract of pledge of property, where:
  - (1) the contract of pledge of property submitted does not comply with the standards prescribed by the legislation of the Republic of Armenia and this Law;

- (2) the amount secured by the contract of pledge of property is less than the amount of customs duties and taxes subject to payment;
  - (3) the time frame of the contract of pledge of property is shorter than the time frame for discharge of liabilities with regard to customs duty and taxes;
  - (4) the decision on rejection has been rendered within the scope of discretionary powers vested by law with the customs authorities.
13. In case of rejecting the conclusion of a contract of pledge of property, the customs authority shall, within the time frame prescribed by part 10 of this Article, inform the person thereon, by specifying the grounds for rejection.
14. In case of failure to discharge the liabilities secured by the pledge of property, the amounts of customs duty and taxes subject to payment shall be transferred to the state treasury account and/or the account defined by the international treaty of member states of the Union from the funds gained from the sale of the property pledged as prescribed by law.
15. All the expenses related to the conclusion of a contract of pledge of property and levy of execution upon pledged property shall be borne by the pledgor.

***(Article 110 supplemented by HO-81-N of 16 May 2016)***

## CHAPTER 17

### ***REFUND AND OFFSET OF CUSTOMS DUTY, TAXES AND OTHER MONETARY FUNDS***

#### **Article 111. Refund and offset of the overpaid or overcharged amounts of customs duty, taxes and other monetary funds**

1. The overpaid or overcharged amounts of customs duty, taxes and other monetary funds shall be subject to refund or offset based on the application of the payer or the legal successor thereof.
2. The overpaid amounts of customs duty for foreign goods imported into the customs territory of the Union from the territory of a state that is not a member of the Union may be offset only against the liabilities of import customs duty.
3. The application for refund or offset of customs duty and taxes overpaid to the treasury accounts of the Republic of Armenia shall be submitted to the Ministry of Finance of the Republic of Armenia within three years from the day of the payment or collection.
4. A document confirming the payment or collection of customs duty and taxes shall be submitted together with the application for refund or offset of the amounts of customs duty and taxes overpaid or overcharged to the treasury accounts of the Republic of Armenia.
5. The refund of customs duty and taxes overpaid or overcharged to the treasury accounts of the Republic of Armenia shall be carried out within a period of thirty days following the submission of the application thereon.
6. The refund of the amounts of customs duty and taxes overpaid or overcharged to the treasury accounts of the Republic of Armenia shall be carried out by

transferring them to the account specified by the person having submitted the application.

7. The refund of the amounts of customs duty and taxes overpaid or overcharged to the treasury accounts of the Republic of Armenia shall be carried out in the currency of the Republic of Armenia.
8. The refund of the amounts of customs duty and taxes overpaid to the treasury accounts of the Republic of Armenia by the person having the obligation of paying customs duty, taxes or penalties shall be carried out after satisfying those obligations.
9. The amounts of customs duty and taxes overpaid or overcharged to the treasury accounts of the Republic of Armenia may not be refunded in case of submission of the application for refund of overpaid or overcharged customs duty and taxes following the expiry of the time frame prescribed by this Law.
10. The amounts of customs duty overpaid or overcharged to the treasury accounts of the Republic of Armenia may be offset against the liabilities with regard to customs duty and the penalties calculated with respect thereto.
11. The amounts of taxes overpaid to or overcharged by the customs authorities of the Republic of Armenia may be offset against the liabilities with regard to taxes and the penalties calculated with respect thereto subject to payment to the customs authorities.
12. The form of the application for the refund and offset of the amounts of customs duty and taxes overpaid or overcharged to the treasury accounts of the Republic of Armenia shall be approved by the superior customs authority.

## **Article 112. Other cases of refunding customs duty and taxes**

1. Refund of customs duty and taxes shall also be carried out:
  - (1) in accordance with the announced customs procedure, in case of refusing to release the goods, where such customs duties and taxes were paid during the declaration made under the customs procedure;
  - (2) in case the customs declaration is declared invalid;
  - (3) where refund of the paid amounts of customs duty and taxes is provided for by the Customs Code of the Union and/or this Law, in case of placing goods under customs procedure "Re-export", "Destruction", "Abandoning in favour of the state" or "Re-import" with regard to goods;
  - (4) upon the permission of the customs authority in case of change in the previously announced customs procedure, where in case of placing goods under new customs procedure the amounts of customs duty and taxes payable are less than the amounts of customs duty and taxes paid as per the initial customs procedure, except for the case provided for by point 6 of Article 282 of the Customs Code of the Union.
2. In the cases referred to in part 1 of this Article, the refund of customs duty and taxes shall be carried out and the application thereon shall be submitted no later than within one year following the day when those conditions arose.

## **Article 113. Refund (offset) of pledged monetary funds**

1. Refund (offset) of pledged monetary funds shall be carried out within three years following the day of discharge of the liability by the person (legal successor thereof) having pledged the monetary funds or the day of termination of the liability, based on the application submitted thereby.

2. Within three years following the draft, by the customs authorities, of the receipt confirming that the monetary funds have been credited to the accounts provided for by this Law, the pledged monetary funds may be refunded (offset) based on the application submitted by the person (legal successor thereof) having pledged the monetary funds, in case no liabilities secured by the pledged monetary funds arise. In case of failure, by the person (legal successor thereof) having pledged the monetary funds, to submit an application for refund (offset) within the time frame prescribed by this Article, the amounts not claimed shall be included in the non-tax other revenues of the State Budget and shall not be refunded.
3. The refund (offset) of pledged monetary funds shall be carried out within 30 days following the submission of the application provided for by this Article.
4. The following shall be attached to the application for the refund (offset) of pledged monetary funds:
  - (1) the payment receipt confirming the pledge of monetary funds;
  - (2) documents confirming the discharge (termination) of liabilities secured by the pledged monetary funds.
5. The refund of the monetary funds of a person having the obligation of paying the customs duty, taxes or penalties and having pledged the monetary funds shall be carried out after satisfying those liabilities at the expense of the pledged monetary funds.
6. The form of the application for the refund (offset) of pledged monetary funds and the form of the decision of the customs authority shall be approved by the superior customs authority.

## CHAPTER 18

### *LEVY OF CUSTOMS DUTY AND TAXES*

#### **Article 114. General provisions on levy of the amounts of customs duty and taxes**

1. In case of failure to fulfil the obligation of payment of customs duty, taxes, as well as penalties and interests with respect thereto under the procedure and within the time frames prescribed by this Law, levy thereof by the customs authorities shall be carried out under the procedure prescribed by law, at the expense of the funds of the payer of customs duty and taxes or at the expense of the cost of goods for which no customs duties and taxes have been paid.
2. Before undertaking the measures of levy of customs duty, taxes, as well as penalties and interests with respect thereto, the customs authority shall, as prescribed by law, notify the payer of customs duty and taxes of making the payment of customs duty, taxes, as well as penalties and interests with respect thereto, except for the cases prescribed by this Law.
3. The notification submitted by the customs authorities under part 2 of this Article must contain:
  - (1) the basis for calculation of the customs payments;
  - (2) the type, rate, amount, time frame for payment of customs duty or a tax;
  - (3) type, amount, sum, time frame for payment of interests, penalties;
  - (4) information on the liability provided for by the legislation of the Republic of Armenia for delaying the payment.



4. In case of existence of a joint liability for paying the customs duty and taxes of the declarant or another person, as well as penalties and interests with respect thereto, the notification of payment of the customs duty and taxes, as well as penalties and interests with respect thereto shall be submitted to the declarant and the other person, by making a note on joint liability in the notification.
5. In case of failure to fulfil the obligation for paying the customs duty and taxes, as well as penalties and interests with respect thereto within ten days following the submission — by registered mail or in person in accordance with the procedure prescribed by law — by the customs authority of the notification provided for by this Article to the declarant or the person bearing joint liability, the levy thereof shall be carried out by the customs authorities as prescribed by law.
6. In case of refusal, by the payer of customs duty and taxes, to accept the notification provided for by this Article, the customs authority shall start the process of levy of customs duty and taxes, as well as penalties and interests with respect thereto within two days after the fact of refusal to accept the notification becomes known to the customs authorities.
7. Levy of customs duty and taxes, as well as penalties and interests with respect thereto shall not be carried out, where the claims with regard to the payment of customs duty and taxes have not been submitted within three years after discovering the fact of failure to pay the customs duty and taxes during the customs control following the day of the expiry of the time frame for the payment thereof or following the release of goods specified in sub-point 1 of point 1 of Article 200 of the Customs Code of the Union.
8. Levy of customs duty and taxes, as well as penalties and interests with respect thereto from the customs carrier shall, pursuant to the second paragraph of point 2 of Article 93 of the Customs Code of the Union, be carried out as prescribed by this Chapter.

9. In case obligation of paying customs duty and taxes, as well as penalties and interests with respect thereto arises in the territory of another member state of the Union, the customs duty and taxes, as well as penalties and interests with respect thereto subject to payment shall be levied in accordance with the international treaty of the member states of the Union.

***(Article 114 amended by HO-81-N of 16 May 2016)***

### **Article 115. Penalties**

1. The monetary amounts, prescribed by this Article, which the payer of customs duty and the taxes is obliged to pay in case of failure to pay or to pay in full the customs payments within the time frames prescribed by the customs legislation of the Union and/or the customs legislation of the Republic of Armenia shall be deemed to be penalties.
2. In case of delaying the payment of customs duty and taxes by violating the time frames prescribed, a penalty in the amount of 0.15 percent of the amount of customs duty and the tax not paid in due time shall be collected from the payer for each day overdue, but not more than for 365 days, except for the cases provided for by this Law and the Customs Code of the Union and treaties constituting the legal and contractual basis thereof, when the declarant or the person authorised thereby has been granted deferral of payment of customs duty and taxes.
3. In case of failure to pay or pay in full the customs payments is revealed as a result of customs inspection, the penalties reflected in the customs inspection act provided for by Article 140 of this Law and in the decisions adopted in accordance therewith shall be calculated up to and including the day of completion of the inspection, but not more than the time frame prescribed by part 2 of this Article.

4. In case of failure to pay or pay in full the customs payments as a result of customs inspection, where there is a failure to pay the penalties reflected in the customs inspection act and in the decisions adopted in accordance therewith within the time frames prescribed by Article 140 of this Law the calculation of the penalties shall be resumed from the day following the end of the time frame prescribed by point 6 of Article 140 of this Law, but not more than the time frame prescribed by part 2 of this Article.
5. The payment, levy and return of penalties shall be carried out as prescribed by the Customs Code of the Union and/or customs legislation of the Republic of Armenia.
6. In the cases provided for by point 5 of Article 250, point 3 of Article 251, point 2 of Article 263, point 2 of Article 276, point 3 of Article 284 and point 2 of Article 291 of the Customs Code of the Union, a penalty at the rate of 0.15 percent shall be calculated for each day against the amounts of payments of customs duty and taxes, as well as other fees due to the customs authorities and not paid in due time, which shall be paid during the re-declaration under another customs procedure — on the day of submitting the new declaration.

**Article 116. Putting a lien on property**

1. Lien on property may be put as prescribed by the legislation of the Republic of Armenia.

**Article 117. Levy of customs duty and taxes primarily at the expense of goods wherefore customs duty and taxes have not been paid**

*(Title supplemented by HO-81-N of 16 May 2016)*

1. In the cases prescribed by this Law, as well as in case no monetary funds are available on the accounts of the payer, the customs authorities shall, under the procedure prescribed by Chapter 13 of the Law of the Republic of Armenia "On fundamentals of administrative action and administrative proceedings", have the right to levy the customs duty and taxes, as well as penalties and interests with respect thereto primarily at the expense of sales of goods wherefore customs duty and taxes have not been paid, where the given goods do not qualify as the goods of the Union.
2. *(part repealed by HO-81-N of 16 May 2016)*
3. The disposal of the amounts generated as a result of sale of goods provided for by this Article shall be carried out pursuant to this Law.

*(Article 117 supplemented, amended by HO-81-N of 16 May 2016)*

**Article 118. Levy of customs duty and taxes at the expense of pledged monetary funds, outstanding balance of overpaid (levied) customs duty and taxes, as well as other property of the payer**

1. The customs authorities shall have the right to levy the customs duty and taxes, as well as penalties and interests with respect thereto at the expense of pledged monetary funds, outstanding balance of overpaid (charged) customs duty and taxes, as well as other property of the payer, based on the judgement of the court.
2. Levy of execution upon the amounts of pledged monetary funds, overpaid (charged) customs duty and taxes shall be carried out from the state treasury account of the Republic of Armenia or the account defined by the international treaty of member states of the Union. The customs authority shall, within one day following the levy, inform in writing the payer of customs duty and taxes about

levy of the amounts of customs duty and taxes, as well as penalties and interests with respect thereto at the expense of pledged monetary funds, overpaid (charged) customs duty and taxes.

**Article 119. Declaring customs duty and tax liabilities, as well as liabilities related to payment of penalties and interests uncollectible and writing them off for the purpose of levy**

1. Liabilities related to customs duty and taxes, as well as penalties and interests shall be declared uncollectible:
  - (1) in case of liquidation of the organisation paying customs duty and taxes, as well as bankruptcy of an individual entrepreneur in the amount of the liability which remained outstanding after undertaking all the measures aimed at levy provided for by law;
  - (2) in case of death of a natural person;
  - (3) by a judicial act.
2. Declaring the levy of the debt of one of the persons having a joint liability for paying customs duty and taxes uncollectible shall not lead to declaring the debt of other persons having a joint liability uncollectible and writing them off.
3. The procedure for writing off the liability for paying customs duty and taxes, as well as penalties, declared uncollectible for the purpose of levy, as well as the list of documents confirming the circumstances provided for by part 1 of this Article shall be approved by the superior customs authority.

***(Article 119 amended by HO-81-N of 16 May 2016)***

## SECTION III

### CUSTOMS CONTROL

#### CHAPTER 19

##### *GENERAL PROVISIONS ON CUSTOMS CONTROL*

###### **Article 120. Exercising customs control**

1. Customs authorities shall exercise customs control pursuant to the customs legislation of the Union and the Republic of Armenia.
2. Objects of customs control and the place of its exercise shall be prescribed by Article 95 of the Customs Code of the Union.
3. Customs authorities of the Republic of Armenia shall be deemed as agents of currency supervision and, pursuant to the currency legislation of the Republic of Armenia, exercise currency control over transfer, by persons, of currency valuables across the border of the Republic of Armenia.

Functions and powers of customs authorities when exercising currency control, provided for by this part, shall be determined according to the procedure prescribed by the Central Bank of the Republic of Armenia.

In case of violations of the currency legislation of the Republic of Armenia, revealed by customs authorities as a result of currency control, persons having committed violations shall bear responsibility as prescribed by law.

4. During the exercise of customs control, customs authorities shall apply the principle of selectivity and limit themselves to the types of customs control sufficient for observing the provisions of the customs legislation of the Republic of Armenia and the Union. When choosing types and methods of customs control, customs authorities shall apply the technical means of customs control and analysis of preliminary information in order not to cause damage to declarants, carriers and other persons due to the storage of goods, idleness of means of transport, extension of time frames for release of goods when exercising customs control, where a necessity to undertake measures exhaustive in terms of signs showing serious violations in the field of customs affairs and revelation and prevention of the indicated violations has not arisen.
5. For the purpose of increasing the efficiency of exercising customs control, customs authorities shall cooperate with other state bodies exercising control and persons carrying out foreign economic activities, in compliance with the legislation of the Republic of Armenia.
6. Pursuant to the Customs Code of the Union and this Law, the forms of decisions, protocols, acts and other procedural documents drawn up by customs authorities during exercise of separate types of customs control shall be prescribed by the superior customs authority, in case where they are not prescribed by the customs legislation of the Union.

**Article 121. Selectivity of customs control and risk management system**

1. For the purpose of increasing the efficiency of exercising customs control, customs authorities shall apply the principle of selectivity during the exercise of customs control.
2. During selection of customs control types the risk management system shall be applied.

3. The risk management system shall be based on the effective use of resources of customs authorities, for the purpose of preventing violations of the customs legislation of the Union and the customs legislation of the Republic of Armenia and counteracting — when exercising other types of control vested with the customs authorities — such violations that:
  - (1) are of repeated nature;
  - (2) are related to evasion from payment of customs duties, taxes on a large-scale, as well as to carrying out financial transactions with residents registered in the territory of offshore zones;
  - (3) are related to ensuring economic safety, protection of economic interests and domestic market;
  - (4) pose risk to the competitiveness of national goods producers;
  - (5) pertain to other interests of the Union and the Republic of Armenia vested with the customs authorities.
4. The methodology of risk assessment criteria shall be prescribed by the body authorised by the Government of the Republic of Armenia, based whereon the superior customs authority shall approve the levels of risk assessment.
5. The main provisions on the risk management system shall be prescribed by Chapter 18 of the Customs Code of the Union.

#### **Article 122. Customs control zones**

1. Customs control zones shall be prescribed by the Customs Code of the Union and the customs legislation of the Republic of Armenia.
2. For the purpose of exercising customs control, the Government of the Republic of Armenia may establish customs control zones at the border crossing points of



the Republic of Armenia, in places of customs formalities and in places of location of customs authorities.

3. Customs control zones may be of permanent nature, where goods are permanently stored therein, and of temporary nature — for loading and unloading works.
4. Performance of any commercial activity, any movement of goods, means of transport, any action (including entry and exit) taken by persons, including officials of other state bodies within their competence, in the territory of the customs control zone may take place only upon the permission and under the control of customs authorities, except for cases prescribed by legislation.
5. The provisions of this Article shall not extend to temporary storage of goods in the facilities, open sites and other territories of the authorised economic operator.
6. Technical requirements for customs control zones shall be prescribed by the superior customs authority.

### **Article 123. Time frames for exercising customs control**

1. Goods and means of transport transferred across the border of the Republic of Armenia, according to customs procedures, shall be under customs control:
  - (1) in case with the customs procedures "Release for domestic consumption" and "Re-import" - from the time of import until the time of release;
  - (2) in case with the customs procedures "Export" and "Re-export" - from the time of submission of the documents necessary for customs control to the customs authority until the time of export from the territory of the Republic of Armenia;

- (3) in case with the customs procedures "Temporary import", "Processing within the customs territory" and "Processing for domestic consumption" - from the time of import until the time of release under another customs procedure;
  - (4) in case with the customs procedures "Temporary export" and "Outward processing" - from the time of submission of the documents necessary for customs control to the customs authority until the time of release under another customs procedure;
  - (5) in case with the customs procedure "Customs transit" - from the time of import into the territory of the Republic of Armenia until the time of export from that territory;
  - (6) in case with the customs procedures "Customs warehouse" and "Free warehouse" - from the time of import until the time of release under another customs procedure;
  - (7) in case with the customs procedure "Free customs zone" - from the time of import until the time of release;
  - (8) in case with the customs procedure "Duty-free trade" - from the time of import until the time of realisation or release under another customs procedure;
  - (9) in case with the customs procedure "Abandoning in favour of the state" - from the time of import until the time of release;
  - (10) in case with the customs procedure "Destruction" - from the time of import until the time of destruction thereof.
2. Irrespective of time frames of control prescribed by the first paragraph of this Article, imported goods shall be under customs control from the time of import

into the territory of the Republic of Armenia until declaration under any customs procedure.

3. After releasing goods, customs authorities may exercise customs control within three years after termination of being under customs control.

**Article 124. Provision of documents and information necessary for exercising customs control**

1. The declarant, persons carrying out activities in the field of customs affairs, and other interested persons shall be obliged to provide the documents and the information necessary for exercising customs control to the customs authorities in compliance with Article 98 of the Customs Code of the Union.
2. Persons transferring, under customs control, goods and means of transport across the border of the Republic of Armenia or carrying out other activities shall be obliged to submit to customs authorities the documents and the information necessary for exercising customs control, the list and the procedure for provision whereof shall be prescribed by the Government of the Republic of Armenia.
3. The declarant shall be obliged to submit along with the customs declaration the documents and the information mentioned in this Article, as well as goods and means of transport for customs control, except for cases prescribed by the legislation of the Republic of Armenia and the Customs Code of the Union.

**Article 125. Provision, by banks, of documents and information necessary for exercising customs control**

1. Customs authorities shall be entitled to make an enquiry to banks and organisations carrying out banking transactions, for the purpose of receiving documents and information on monetary flows regarding foreign economic activity of persons subject to customs control for exercising customs control. Provision of information constituting a bank secret shall be carried out as prescribed by the Law of the Republic of Armenia "On bank secrecy".
2. Upon receipt of the enquiry indicated in part 1 of this Article, the bank and organisations carrying out banking transactions shall provide, within five days, the relevant documents and information to the customs authorities or inform, within the same time period, the customs authorities that they do not dispose of such documents and information.
3. The form of the enquiry by customs authorities and the list of documents and information specified in part 1 of this Article, shall be prescribed by the Government of the Republic of Armenia.

**Article 126. Application of technical means during the exercise of customs control**

1. During the exercise of customs control, such technical means shall be used which are not dangerous for the fauna, flora and human life and health and may not damage the goods and means of transport.
2. For the purpose of reducing the time period required for customs control and increasing the efficiency of customs control, the customs authorities may apply technical means of customs control, the list and the procedure for use whereof shall be prescribed by the superior customs authority.

**Article 127. Customs security measures and application thereof**

1. Customs security measures applied by customs authorities and the procedure for application thereof shall be prescribed by Article 109 of the Customs Code of the Union.
2. Requirements for creation of customs security measures and the procedure for application thereof shall be prescribed by the Government of the Republic of Armenia.

**Article 128. Restrictions in force on goods and means of transport under customs control**

1. Partial or complete transfer, alienation or destruction of goods and means of transport under customs control without the permission of the customs authority, as well as loading, unloading, transloading, elimination of damages of packages, unpacking, packaging, re-packaging of goods and means of transport or change of customs security measures put on such goods or packages accompanying them shall be prohibited.
2. In case of destruction or loss of goods and means of transport indicated in part 1 of this Article, a person shall bear the responsibility prescribed by law.

## CHAPTER 20

### *FORMS OF AND PROCEDURE FOR EXERCISING CUSTOMS CONTROL*

#### **Article 129. Forms of and procedure for exercising customs control**

1. Customs control shall be exercised by customs authorities, according to the forms and as provided for by Chapters 16 and 19 of the Customs Code of the Union, in compliance with the provisions prescribed by this Law.

#### **Article 130. Customs scrutiny of premises and constructions**

1. Customs scrutiny of premises and constructions shall be carried out in compliance with Article 119 of the Customs Code of the Union and this Law.
2. The form of the order to conduct customs scrutiny of premises and constructions shall be prescribed by the superior customs authority.
3. Customs scrutiny of premises and constructions shall be carried out within the minimum sufficient time period.

#### **Article 131. Record-registration of goods under customs control**

1. The procedure for and form of record-registration of goods under customs control shall be prescribed by the superior customs authority.

**Article 132. Inspection of the system for record-registration of goods and accountability**

1. Pursuant to Article 121 of the Customs Code of the Union, inspection of the system for record-registration of goods and accountability, as a form of customs control, shall be carried out with respect to persons carrying out activity in the field of customs affairs, authorised economic operators, as well as goods placed under the customs procedures "Inward processing ", "Outward processing", "Processing for domestic consumption", "Free customs zone", and "Free customs warehouse".
2. Only one inspection of the system for record-registration of goods and accountability may be carried out within the same time period. Results of the inspection shall be summarised by a protocol, the form whereof shall be prescribed by the superior customs authority.
3. Inspection of the system for record-registration of goods shall be carried out through the comparison of information available in reports submitted to customs authorities and at the disposal of the customs authorities, as well as of information available in accounting reports, and initial documents submitted to the customs authorities.
4. Reports may be submitted to customs authorities electronically, with or without an electronic digital signature, which must be accompanied by the signature — in hard copy — of the head, chief accountant of the organisation or persons authorised thereby.
5. Customs representatives shall, once every six months, submit to customs authorities a report on their activity by the 15<sup>th</sup> of the month following that time period, in the manner and form prescribed by the superior customs authority.
6. The report on products, wastes and remains derived after the processing [of goods] released under the procedure "Inward processing" shall be submitted to

the customs authority in compliance with point 1 of Article 249 of the Customs Code of the Union, after the completion of the procedure "Inward processing", but no later than within 30 days from the day of release of the last consignment of products derived after processing.

7. The report on products derived after the processing of goods released under the customs procedure "Outward processing" shall be submitted to the customs authority in compliance with Article 260 of the Customs Code of the Union, after the completion of the procedure "Outward processing", but no later than within 30 days from the day of release of the last consignment of products derived after processing.
8. The report on products, wastes and remains derived after the processing of goods released under the customs procedure "Processing for domestic consumption" shall be submitted to the customs authority in compliance with Article 273 of the Customs Code of the Union, after the completion of the procedure "Outward processing", but no later than within 30 days from the day of release of the last consignment of products derived after processing.
9. The form and procedure for submission of reports for goods provided for by parts 6-8 of this Article, as well as released under the procedures "Free customs zone" and "Free warehouse", shall be prescribed by the superior customs authority.
10. The procedure for record-registration and submission of reports by authorised economic operators is prescribed by Article 55 of this Law.
11. The form and procedure for submission of reports submitted to customs authorities by operators of temporary storage warehouses, customs warehouses, duty-free shops and customs carriers shall be prescribed by the superior customs authority.



12. Failure to submit the reports provided for by this Article or submission of false information shall entail liability in compliance with the laws of the Republic of Armenia.

**Article 133. Office and field customs inspections**

1. Office customs inspection shall be carried out in compliance with the Customs Code of the Union, this Law and other legal acts, without a written assignment on commencing an inspection, at the workplaces of customs authorities, without a visit to the person being inspected.
2. A field customs inspection shall be carried out in compliance with the Customs Code of the Union, this Law and other legal acts, based on a written assignment of the head of the superior customs authority on carrying out a field customs inspection, the form whereof shall be approved by the superior customs authority. The procedure for notifying the person being inspected of commencing a field customs inspection, and the time frames for carrying them out shall be prescribed by the Customs Code of the Union.

**Article 134. Time frames and procedure for suspension of a field customs inspection**

1. Suspension of a field customs inspection shall be carried out in cases provided for by point 12 of Article 132 of the Customs Code of the Union.
2. Suspension and resuming of a field customs inspection shall be set forth in a decision of the head of the superior customs authority, based on the written substantiation of the official of the customs authority carrying out inspection. The customs authority shall inform in writing the person being inspected about that decision within one working day after adopting the indicated decision.

3. The time frame of a field customs inspection shall be suspended until the elimination of the ground for suspension, but for no more than 90 working days, and in case of making an enquiry to the competent bodies of the member states of the Union or foreign states within the scope of international treaties of the Republic of Armenia — until the day of receiving the response to the enquiry.

**Article 135. Entry — for the purpose of conducting a field  
customs inspection — of officials of customs authorities into the  
facility of the person being inspected**

1. The person being inspected shall have the right to refuse the officials of customs authorities the opportunity to enter the facility thereof in cases prescribed by part 3 of Article 133 of the Customs Code of the Union. In case the person being inspected fails to grant the officials of customs authorities carrying out the customs control an opportunity to enter the facility thereof, the customs authority shall draw up a protocol in the form prescribed by the superior customs authority.
2. The protocol indicated in part 1 of this Article shall be signed by the officials of the customs authority conducting customs inspection, the person being inspected or the representative thereof, and the carbon copy thereof shall be handed over to the person being inspected or the representative thereof.
3. In case of refusal by the person being inspected or the representative thereof to sign the protocol indicated in part 1 of this Article, the official of the customs authority carrying out customs inspection shall make a relevant note in the protocol. The person being inspected shall have the right to give written explanations on the refusal to sign the protocol.

**Article 136. Procedure for putting a lien on goods, seizing goods and documents during a field customs inspection**

1. Putting of a lien on goods and seizure of goods shall be carried out for the purposes provided for by point 11 of part 1 of Article 134 of the Customs Code of the Union.
2. Grounds for putting a lien on goods during a field customs inspection shall be:
  - (1) transportation of goods not bearing special stamps, identification signs or markings done otherways, where the stamps, identification signs and markings of the goods are provided for by the customs legislation of the Republic of Armenia or the Union, or detection of goods with forged stamps or means of identification;
  - (2) absence of information confirming facts of customs declaration of goods and/or their release in trade documents of the person being inspected, where, pursuant to the customs legislation of the Republic of Armenia or the Union, indication of such information in trade documents is obligatory, as well as reveal of inaccurate information or absence of documents provided for by the customs legislation of the Republic of Armenia or the Union;
  - (3) reveal of facts of use of conditionally released goods for some other purpose;
  - (4) reveal of facts on failure to observe the conditions and/or procedure for granting benefits prescribed for paying customs duty and taxes;
  - (5) reveal of facts attesting to the use of goods in violation of the conditions and requirements of the customs procedure.
3. Lien on goods shall be the prohibition on their disposal and use. Goods under lien shall be transferred to the storage of their possessor or another person

having authorities over those goods. The use of goods put under lien may be permitted by the head of the customs authority conducting the field customs inspection or the official of the customs authority authorised thereby, based on an application of the person having authorities over such goods. Transfer of goods under lien to other persons, their alienation or disposal otherwise shall not be permitted.

4. Inspected goods may be seized where it has been revealed that their import into the customs territory of the Union or the territory of the Republic of Armenia is prohibited, as well as where there are sufficient grounds to assume that lien of the goods is not a sufficient measure for their storage. Seized goods shall be placed in temporary storage warehouses, as prescribed by this Law.
5. In case where, during a customs inspection, submission of copies of documents is deemed to be insufficient, where there are grounds to assume that the originals of the documents may be destructed, concealed, corrected or amended, the official of the customs authority shall have the right to seize the originals of the documents. During the seizure of the originals of the documents, a protocol on seizure of the originals of the documents shall be drawn up, in two copies. One copy of the protocol prescribed by this part shall be transferred, along with the carbon copies of the seized documents, to the person being inspected. The number and date of the protocol on the seizure of the originals of the documents shall be indicated on the copies of the documents, and the signature of the official seizing them shall be put thereon.
6. Seizure of goods, documents and putting lien on goods shall be carried out based on a substantiated decision of the official conducting the customs inspection, in the presence of the person being inspected and at least two attesting witnesses.

7. All goods, documents being seized or goods whereon lien is being put shall be presented to attesting witnesses, other persons participating in seizure activities, provided for by this Law, whereafter, upon necessity, they shall be packaged, sealed or lead sealed. The seized documents must be numbered, sealed and signed by the person being inspected or the authorised person thereof. In case of refusal by the person being inspected or the authorised person thereof to seal or sign the documents being seized, the customs authority shall make a note thereon in the protocol on the seizure of the documents.
8. Seizure of goods, documents, and putting a lien on goods shall be set forth in a protocol, wherein the seized goods, documents or the goods under lien, with an indication of their names, quantity and individual features, are given a detailed description. The indicated protocol shall be signed by the official having carried out the seizure or having put the lien, and the person being inspected, as well as by attesting witnesses. A carbon copy of the protocol drawn up pursuant to this part shall be handed over to the person being inspected or the person authorised thereby.
9. Return of seized goods, documents and lifting of the lien put shall be carried out no later than the completion of the day of the field customs inspection, except for cases where the goods are subject to be put under lien in compliance with this Law, or in case where the goods and documents are subject to be taking away or seizure, in compliance with the Administrative Offences Code of the Republic of Armenia or the Criminal Procedure Code of the Republic of Armenia. Return of the goods and documents seized and lifting of the lien put in compliance with this Article shall be carried out based on the decision of the official of the customs authority, having conducted the field customs inspection.
10. The return of seized goods, documents, lifting of the lien put shall be set forth in a protocol signed by the official of the customs authority and the person having been inspected, which shall be drawn up in two copies. One copy of the protocol

provided for by this part shall be handed over to the person having been inspected, and the other copy shall be kept at the customs authority.

11. Costs of storage of seized goods shall be borne by the person having the right to dispose of, possess and use the seized goods. In case of failure to reveal — by the results of the inspection — a violation of the provisions of the customs affairs legislation, related to the transportation of the goods being inspected, costs of storage of the seized goods shall be compensated from the State Budget of the Republic of Armenia, as prescribed by the Government of the Republic of Armenia.
12. In cases where the seized goods and documents are not subject to return in compliance with part 9 of this Article, the goods and documents seized in compliance with this Article shall, from the day of completion of the field customs inspection, be deemed:
  - (1) put under lien on the grounds provided for by Article 146 of this Law, or
  - (2) taken away within the scope of proceedings with regard to an administrative violation, or
  - (3) seized within the scope of proceedings of a criminal case.

In cases indicated in this part, the number of the protocol, based whereon the goods and documents have been seized, shall be indicated in the field customs inspection act.

13. Seized goods, unclaimed within two months following the day of completion of the field customs inspection act, shall be handed over to the Republic of Armenia, pursuant to a judicial act.

After elimination of grounds for seizure of goods and/or the necessity to store them, those goods shall be returned to the economic entity within one working day.

***(Article 136 edited, amended by HO-81-N of 16 May 2016)***

**Article 137. Rights and obligations of customs officials when conducting a customs inspection**

1. Rights and obligations of customs officials when conducting a customs inspection shall be prescribed by Article 134 of the Customs Code of the Union and this Law.

**Article 138. Rights and obligations of the person being inspected, during a customs inspection**

1. Rights and obligations of the persons being inspected, during a customs inspection, shall be prescribed by Article 135 of the Customs Code of the Union and this Law.

**Article 139. Customs examination when carrying out customs inspection, participation of professionals and experts in carrying out customs inspection**

1. For the purpose of exercising customs control, customs authorities shall be entitled to involve, as prescribed by law, professionals and experts of competent state bodies in activities performed by them.
2. Involving of professionals and experts in the process of exercising customs control shall be carried out in compliance with Articles 101 and 102 of the Customs Code of the Union.
3. During the exercise of customs control, customs examination shall be carried out in compliance with Chapter 20 of the Customs Code of the Union, taking into account the provisions of this Article.

4. For exporting metal concentrate from the territory of the Republic of Armenia, an opinion of an expert examination of metal concentrate shall be submitted to the customs authority, the list of information submitted wherein shall be prescribed by the superior customs authority.
5. The twenty-day time frame for carrying out customs examination, provided for by the Customs Code of the Union, may be extended by a written permission of the head of the customs authority carrying out customs examination, except for the cases provided for by this Law, when release of goods may not be carried out before the receipt of the results of the expert examination, in which case the expert examination shall be carried out within time frames not exceeding the time frame for releasing the goods — within the time frame prescribed by part 4 of Article 196 of the Customs Code of the Union.
6. In case of conducting a customs examination at another organisation, the time frame for carrying out customs examination may be extended based on a written permission of the head of that organisation, by way of approval by the customs authority having appointed the customs examination, except for the cases provided for by this Law, when release is not carried out before the receipt of the results of the expert examination, in which case the expert examination shall be carried out within time frames not exceeding the time frame for releasing the goods — within the time frame prescribed by part 4 of Article 196 of the Customs Code of the Union.
7. The time frame for expert examination of two and more objects may be extended until the receipt of the results of the expert examination by the head of the superior customs authority, if, for the obtainment of those results, the method of comparison (benchmarking) and such science and technology means are applied, whereby obtainment of the results of the expert examination takes long time.



8. The time frame for carrying out customs examination may be suspended for a duration of no more than ten working days:
  - (1) in case of incompliance between the list submitted in the decision on appointing a customs examination and the goods submitted for expert examination;
  - (2) in case, for the purpose of carrying out the customs examination, a necessity to receive additional materials or samples of the customs specialist arises;
  - (3) to receive a permission by the superior customs authority on destruction or damage of goods (where damage or destruction of goods may take place for the purpose of the expert examination) caused for the purpose of the expert examination.
9. Carrying out of the customs examination may be rejected in cases provided for by point 5 of Article 138 of the Customs Code of the Union, as well as in case of absence of a customs specialist having the qualification required by the customs authority carrying out expert examination or another authorised organisation.

**Article 140. Presentation of results of a customs inspection and adoption of decisions based on the results thereof**

1. Results of a customs inspection carried out by customs authorities shall be presented:
  - (1) under an office customs inspection act in case of carrying out an office customs inspection;
  - (2) under a field customs inspection act in case of carrying out a field customs inspection.

2. A customs inspection act shall be drawn up in two copies and signed by the officials of the customs authority having conducted the customs inspection.
3. The customs inspection act shall contain:
  - (1) information on the person being inspected;
  - (2) information on the officials of customs authorities, having conducted the customs inspection (position, name, surname);
  - (3) categorised description of revealed facts (elements) of violation of the legislation of the Union and/or the legislation of the Republic of Armenia on customs affairs, with a reference to the legal acts the requirements whereof have been violated, or information on the absence of revealed facts of violation (elements);
  - (4) opinions on revealed violations and/or elimination of their consequences, as well as recommendations on customs payments subject to additional calculation and collection and other fees payable to customs authorities and the amounts of penalties calculated against them in compliance with the legislation of the Republic of Armenia.
4. The date of drawing up the customs inspection act shall be deemed the end date of a customs inspection. The customs inspection act shall be approved by the head (deputy head) of the customs authority having conducted the customs inspection.
5. In case of revealing a failure to pay customs payments and other fees payable to customs authorities according to the laws of the Republic of Armenia, or an underpayment thereof, based on the customs inspection act, the head of the customs authority having conducted the customs inspection or the person authorised thereby shall adopt a relevant decision (decisions). The first copies of the customs inspection act and the decision (decisions) shall be attached to the

materials of the customs inspection, and the second copies shall be handed over in person — within five working days after completion of the customs inspection — to the person being inspected and/or the payer of customs payments and other fees paid to customs authorities, wherein the date of receipt, name, surname and father's name of the recipient shall be indicated, and the signature of the recipient shall be put. In case of refusal to receive the inspection act, the recipient shall make a note on the inspection act thereon, and the recipient shall be deemed to have been duly notified from the day of refusal to receive the inspection act. Where the inspection act and decision (decisions) are sent to the address of a person being inspected and/or the payer of customs payments and other fees paid to customs authorities by a registered letter with a notification of delivery, the date of handing over, indicated in the notification, shall be deemed to be the day of receipt. In case when the registered letter is returned to the addressee with a note on the reasons for failure to hand over, the day of return of the registered letter shall be deemed to be the day of receipt. Copies of the act and the decision (decisions) adopted by customs authorities shall be forwarded — within five working days after the completion of the customs inspection — to the customs authority (authorities) having carried out the release of goods.

6. In case prescribed by part 5 of this Article, the person being inspected shall be obliged to carry out — within ten days after receiving the customs inspection act and the decision (decisions) provided for by part 5 of this Article — the payment of the amounts set forth under the indicated act and the decision (decisions) and other requirements prescribed by the legislation. In case of payment of the indicated amounts within the time frames prescribed by this part, penalties prescribed by law shall not be calculated for that time frame. In case of revealing of facts of administrative or criminal offences by the results of the customs

inspection, their further course shall be ensured as prescribed by the legislation of the Republic of Armenia.

7. The procedure for actions carried out by officials of customs authorities when applying the provisions prescribed by Articles 122, 131-136 of the Customs Code of the Union and this Law in the course of customs inspection shall be prescribed by the superior customs authority.

#### **Article 141. Carrying out customs examination**

1. The procedure for choosing test samples and samples of goods for carrying out customs examination shall be prescribed by the superior customs authority, based on the provisions provided for by Article 144 of the Customs Code of the Union.
2. Form of customs examination opinions shall be prescribed by the superior customs authority. All pages of a customs examination opinion shall be signed by the expert, and they shall be certified with the seal of the body carrying out the customs examination.
3. In compliance with the Customs Code of the Union, remuneration of professionals and experts for a customs examination shall be carried out from the State Budget of the Republic of Armenia, as prescribed by the Government of the Republic of Armenia.

**Article 142. Involving an expert of another authorised organisation in the process of carrying out customs examination**

1. Customs examination shall be assigned to experts of another authorised organisation only in case when carry out of such expert examination by customs experts is impossible.
2. The expert of another authorised organisation shall be involved in the process of carrying out a customs examination on contractual basis.
3. In case of assigning carry out of the customs examination to the expert of another organisation authorised by the customs authority, the expert must submit to the customs authority having assigned the expert examination documents confirming the required professional knowledge thereof.
4. Rights and obligations of the expert of another authorised organisation are prescribed in Chapter 20 of the Customs Code of the Union.
5. The procedure for involving an expert of another authorised organisation in the process of carrying out a customs examination shall be prescribed by the superior customs authority.

## CHAPTER 21

### ***GROUNDS OF AND PROCEDURE FOR DISPOSING OF GOODS HANDED OVER TO THE STATE AND GOODS UNDER LIEN THAT ARE NOT AN OBJECT OF ADMINISTRATIVE OFFENCES OR CRIMES***

#### **Article 143. Handing over of goods to the State**

1. Goods shall be handed over to the State:
  - (1) based on a judicial act in a criminal case or a case on an administrative offence, in the event of confiscation appliance by customs authorities;
  - (2) based on a judicial act — delivered based on the claim of the customs authority or another authorised body — on declaring the property ownerless or handing over seized goods to the State;
  - (3) in case of placing goods under the customs procedure "Abandoning in favour of the state".

***(Article 143 amended by HO-81-N of 16 May 2016)***

#### **Article 144. Goods subject to disposal and procedure for disposal**

1. In cases prescribed by Article 143 of this Law, goods handed over to the State shall be subject to disposal by the customs authority.
2. Goods placed under the customs procedure "Abandoning in favour of the state" shall be transferred to the state body authorised by the Government of the Republic of Armenia to carry out the process of realisation, destruction or

processing of the property handed over to the State, except for goods with regard where to a special procedure for disposal is prescribed by law.

3. The following shall be deemed to be disposal actions:
  - (1) transfer and warehousing of goods in places specially adapted thereto;
  - (2) actions carried out for the purposes of realisation of goods, including their division into separate consignments, packaging, re-packaging and etc.;
  - (3) realisation of goods.
4. Goods may be realised, as prescribed by this Article, by way of sale at an auction or direct sale, at a point of sale specially established by an order of the head of the superior customs authority.
5. In case of direct sale of goods, customs authorities shall determine their realisation prices and co-ordinate them with the carrier of goods or the person authorised thereby. Moreover, realisation prices of goods may not be notably lower than the current retail prices for such goods in the Republic of Armenia, taking into account the extent of their preservation.
6. Costs of storage of goods, their preparation for realisation and sales organisation in a point of sale shall be incurred at the expense of five percent of the proceeds from the sales of the goods.

**Article 145. Transfer without compensation, by the superior customs authority, of goods handed over to the state**

1. The superior customs authority shall be entitled to transfer — without compensation — goods transferred to state ownership to the interested state bodies and organisations, based on a decision of the Government of the Republic

of Armenia. Goods transferred without compensation in compliance with this part may not be used for commercial purposes.

2. For the purpose of transferring — without compensation — goods handed over to the state, the state bodies and organisation indicated in part 1 of this Article shall submit the written application (indicating the date of adoption of the relevant decision by the Government of the Republic of Armenia and the number of the decision) to the superior customs authority, based on which the superior customs authority shall render — within five days after receiving the application — a decision on the transfer — without compensation — of the goods handed over to the State. Based on the decision provided for by this part, goods handed over to the State shall, within thirty days, be transferred without compensation, by customs authorities, to the state body or organisation provided for by the decisions of the Government of the Republic of Armenia.

Transfer — without compensation — of goods handed over to the State shall be drafted by way of a protocol signed by the heads of the superior customs authority and the state body or organisation receiving the goods without compensation, wherein the goods being transferred without compensation shall be described in detail.

***(Article 145 amended by HO-81-N of 16 May 2016)***

**Article 146. Putting a lien on goods that are not an object of administrative offences or crimes, and on documents thereon**

***(title amended by HO-81-N of 16 May 2016)***

1. The customs authority shall put a lien on goods that are not an object of administrative offences or crimes, and on documents thereon, on the grounds provided for by part 1 of Article 145 of the Customs Code of the Union.



2. In case of putting a lien on goods that are not an object of administrative offences or crimes, and on documents thereon, a protocol shall be drawn up in the form prescribed by the Commission of the Union.
3. The detained goods and documents on those goods shall be returned only in cases prescribed by Article 147 of the Customs Code of the Union.
4. Relations pertaining to putting a lien, by customs authorities, on goods and documents shall be regulated by the legal acts provided for by this Article and the provisions of the procedure for detainment of goods deemed to be direct objects of violation of customs rules prescribed by the Administrative Offences Code of the Republic of Armenia, not contradicting the legal acts indicated in this Article.

***(Article 146 amended, edited by HO-81-N of 16 May 2016)***

## CHAPTER 22

### ***TRANSFER OF GOODS ACROSS THE BORDER OF THE REPUBLIC OF ARMENIA***

#### **Article 147. Places of import of goods into the Republic of Armenia**

1. Import of goods from the territory of states that are not members of the Union into the territory of the Republic of Armenia must be carried out during the working hours of customs authorities, by way of transfer of goods through places of arrival that are state border crossing points of the Republic of Armenia prescribed by Article 156 of the Customs Code of the Union.

2. Goods imported into the territory of the Union across the customs border of the Union under the customs procedure "Customs transit" may be imported into the territory of the Republic of Armenia from any border crossing point, without restrictions, except for the measures applied for the purpose of ensuring transit conditions, prescribed by Article 217 of the Customs Code of the Union.

**Article 148. Export of goods from the Republic of Armenia**

1. Export of goods from the Republic of Armenia outside the customs territory of the Union shall be carried out during the working hours of customs authorities, through state border crossing points of the Republic of Armenia that are places of export pursuant to Article 162 of the Customs Code of the Union.
2. Export of goods from the Republic of Armenia, provided for by this Article, may be carried out only after the implementation of the measures for their placement under the relevant customs procedure, except for electricity transported by power lines. Transfer, from the Republic of Armenia, of goods having the status of goods of the Union shall be carried out as prescribed by the international treaty and laws of the Republic of Armenia.

**Article 149. Obligations of the carrier in cases of import or export of goods from a state that is not a member of the Union into the Republic of Armenia**

1. In case of import of goods from a state that is not a member of the Union into the Republic of Armenia, the carrier shall be obliged to:
  - (1) deliver the goods to the place of import;
  - (2) submit the goods to the customs authority;

- (3) submit to the customs authority the documents and information the list whereof is prescribed by Article 159 of the Customs Code of the Union;
  - (4) submit certificates, permits, licenses or other documents confirming the observance of the prescribed prohibitions and restrictions, where the submission of those documents at the place of import is provided for by the customs legislation of the Republic of Armenia or the Union;
  - (5) hand over the goods for temporary storage or carry out actions aimed at their declaration or customs formalities, as prescribed by the customs legislation of the Republic of Armenia or the Union.
2. The actions indicated in points 4 and 5 of part 1 of this Article may be carried out by other authorised persons as well.
3. In case of force majeure, an accident or in other cases hindering the arrival of goods at the place of import, the carrier shall be obliged to undertake the measures provided for by Article 157 of the Customs Code of the Union.
4. The authorised person of the carrier may submit, at the place of import, documents and information on behalf of the carrier.
5. In case of export of goods from the Republic of Armenia, the carrier shall be obliged to submit the documents and information prescribed by Articles 159 and 163 of the Customs Code of the Union to the customs authority. The person authorised by the carrier may submit, on behalf thereof, the documents and information, provided for by this part.

**Article 150. Actions of customs authorities in case of use of preliminary information**

1. Pursuant to Article 42 of the Customs Code of the Union, preliminary information submitted to customs authorities shall be used prior to submission of goods to the customs authorities for the purpose of choosing the objects and measures of customs control through risk management system, based on the study and analysis of data, releasing goods or rendering customs control-related other mandatory decisions within shorter time period.
2. In case of use of preliminary information, the procedure for actions of officials of customs authorities shall be prescribed by the superior customs authority, unless otherwise provided for by the customs legislation of the Union.

**CHAPTER 23**

***TEMPORARY STORAGE OF GOODS***

**Article 151. General provisions on temporary storage of goods**

1. The essence of temporary storage of goods, rights and obligations of persons having authorities over the goods, as well as time frames for temporary storage of goods are prescribed by Chapter 25 of the Customs Code of the Union.

## **Article 152. Places of temporary storage of goods**

1. Pursuant to Article 168 of the Customs Code of the Union, places of temporary storage shall be deemed temporary storage warehouses and the following places of temporary storage:
  - (1) the warehouse of the customs authority;
  - (2) the warehouse of the recipient of goods, in cases provided for by Article 154 of this Law;
  - (3) the construction, open site or other premises of the authorised economic operator, provided for by this Law;
  - (4) separate constructions located at places of international postal deliveries, pursuant to part 2 of Article 249 of this Law;
  - (5) places of storage of not received or unclaimed luggage transported within the scope of a contract on transportation of passengers by air or railway transport;
  - (6) railways and container yards that are located at places agreed with customs authorities — within the territory of railway stations, and are envisaged for temporary storage of goods without unloading them from the means of transport;
  - (7) customs warehouses.
2. The place of temporary storage of goods shall be a customs control zone established in compliance with this Law.
3. In cases provided for by points 2 and 4-6 of part 1 of this Article, temporary storage of goods in other places shall be carried out upon a written permit of the customs authority. The permit for temporary storage of goods in other places may be single-use for the temporary storage of a certain consignment of goods,

or multi-use - for the periodic temporary storage of foreign goods within a certain period of time.

4. The requirements for customs control zones, imposed by the legislation of the Republic of Armenia, shall be imposed on other places of temporary storage. In case of incompliance of other places of temporary storage with the conditions provided for by this part, the customs authority may reject issuance of the permit prescribed by this Article.
5. Obligations of the recipient of goods when carrying out temporary storage of goods in the warehouse of the recipient, provided for by parts 4 and 5 of Article 154 of this Law, shall also be borne, on a joint and several basis, by the person having obtained a permit for the temporary storage of goods in other places of temporary storage of goods.
6. The customs authority shall refuse issuance of permit for storage of goods in other places of temporary storage to a person, where that person has been subjected to administrative liability for administrative offences regarding the field of customs affairs twice or more times within one year before the day of applying to the customs authority, except for goods imported by railway transport, where their temporary storage on railways is carried out by the carrier.
7. The superior customs authority shall prescribe the procedure for submitting documents and information when handing over goods to a temporary storage warehouse and other places of temporary storage of goods, and handing over the goods to a temporary storage warehouse for the purpose of ensuring customs control and removing them from the warehouse.

**Article 153. Customs formalities related to handing over goods to a temporary storage warehouse**

1. Documents submitted for the goods in case of handing them over to a temporary storage warehouse, and the persons submitting those documents to the customs authority are prescribed by point 1 of Article 169 of the Customs Code of the Union.
2. Documents necessary for handing over goods to a temporary storage warehouse shall be submitted to the customs authority within three hours from the completion of the procedure "Customs transit", after submitting the goods to the customs authorities in the place of arrival.
3. The customs authority shall register documents submitted for handing over goods for temporary storage within one hour after their submission. The goods shall be deemed handed over for temporary storage from the day of registration, by the customs authority, of documents submitted for handing over goods for temporary storage.

**Article 154. Temporary storage of goods in the warehouse of the recipient**

1. Temporary storage of goods in the warehouse of the recipient may be carried out in the following cases:
  - (1) in case of handing over goods — requiring special storage conditions — for temporary storage;
  - (2) where the recipient of goods is a state body;
  - (3) where transfer of goods to places of temporary storage is impossible due to weather or geographical conditions.

2. When issuing a permit for the temporary storage of goods in the warehouse of the recipient of the goods, the customs authority shall be entitled to request making of customs duty and tax payments or the customs duty and tax payment securities prescribed by Article 106 of this Law, except for cases when the recipients of goods are state bodies or agencies.
3. Storage of goods of third persons in the warehouse of the recipient of goods shall not be permitted.
4. The recipient of goods shall be obliged to ensure the conditions necessary for the storage of the goods. Actions over goods in the temporary storage warehouse of the recipient may be carried out upon the permit of the customs authority. The customs authority may place lead seals and seals on the package of goods or on the construction envisaged for the storage of those goods.
5. In case of loss of goods, transfer or handing over thereof to third persons without the permit of customs authorities, the recipient of the goods shall be obliged to pay the customs duties and taxes provided for by Article 172 of the Customs Code of the Union.

**Article 155. Storage of goods in temporary storage warehouses of customs authorities**

1. Temporary storage warehouses of customs authorities shall be open warehouses and must comply with the requirements for warehouses imposed by law.
2. Relations arising during the storage of goods in temporary storage warehouses of customs authorities shall be regulated by this Law and other laws of the Republic of Armenia. In case of accepting goods for temporary storage, an official of the customs authority shall issue a receipt, in the form prescribed by



the superior customs authority, to the person handing over the goods for temporary storage.

3. Customs fees shall be charged for the storage of goods in the temporary storage warehouse of the customs authority, as prescribed by Chapter 14 of this Law.

**Article 156. Hand over of goods, by customs authorities, for temporary storage**

1. Customs authorities may hand over goods to temporary storage warehouses, in compliance with this Law.
2. In case of hand over of goods, by customs authorities, for temporary storage, a contract shall be concluded between the possessor of the warehouse and the customs authority, in compliance with the civil legislation of the Republic of Armenia.
3. In case of hand over of goods, by customs authorities, for temporary storage, costs related to the storage shall be incurred at the expense of the State Budget of the Republic of Armenia.

## SECTION IV

### CUSTOMS FORMALITIES OF GOODS IN COMPLIANCE WITH CUSTOMS PROCEDURES

#### CHAPTER 24

##### *CUSTOMS DECLARATION*

###### **Article 157. General provisions on customs declaration**

1. Goods and transportation means shall be declared in compliance with Chapters 27 and 47-50 of the Customs Code of the Union, the international treaties of the member states of the Union and this Law.
2. Customs declaration of goods shall be carried out by the declarant or the authorised person thereof or the customs representative acting upon the assignment and on behalf thereof.
3. *(part repealed by HO-146-N of 28 September 2016)*

*(Article 157 amended by HO-146-N of 28 September 2016)*

## **Article 158. Customs declarations**

1. During customs declaration, for the purpose of placing goods and transportation means under customs procedures, in compliance with the Customs Code of the Union, the following customs declarations may be applied:
  - (1) declaration of goods;
  - (2) transit declaration;
  - (3) passenger declaration;
  - (4) declaration of transportation means.
2. Forms of customs declarations and procedures for filling them in shall be prescribed by the Commission.
3. The lists of necessary information, indicated in the customs declaration of goods and customs transit declaration, are prescribed by Articles 181 and 182 of the Customs Code of the Union.
4. The lists of necessary information indicated in the customs passenger declaration and customs declaration of transportation means shall be prescribed by the Commission of the Union.
5. The lists of information indicated in customs declarations shall be restricted only to information necessary for calculation and collection of customs payments, formation of customs statistics, and ensuring the provisions provided for by the law of the Republic of Armenia.
6. Depending on the customs procedure, type of goods, persons transporting goods and type of transportation means, the information indicated in the customs declaration of goods and customs transit declaration may be reduced by a decision of the Commission of the Union or by this Law, in compliance with the decision of the Commission of the Union.

7. The customs declaration shall be submitted to the customs authority electronically and/or in hard copy.

The procedure for submitting the customs declaration in the form of an electronic document shall be prescribed by a decision of the Commission of the Union.

8. In case of submitting the customs declaration to the customs authority in written form, the electronic copy thereof must be submitted as well. The Government of the Republic of Armenia, pursuant to a decision of the Commission of the Union, may prescribe the list of goods, customs procedures and cases, wherefore submission of the electronic copy is not required in case of submission of the declaration in writing.

The structure and format of the electronic copy of the customs declaration, as well as the procedure for submission and use thereof shall be prescribed by a decision of the Commission of the Union.

The procedure for carrying out the customs declaration electronically and access of persons not having the qualification of customs formalities professional to automatic customs declaration system shall be prescribed by the Government of the Republic of Armenia.

***(Article 158 amended by HO-146-N of 28 September 2016)***

#### **Article 159. Documents submitted during declaration**

1. Documents necessary for customs formalities and customs control shall be submitted to the customs authority along with the customs declaration, unless otherwise prescribed by the Customs Code of the Union, an international treaty of the Republic of Armenia and this Law.

2. The list of documents submitted to the customs authority along with the customs declaration of goods shall be prescribed by Articles 183, 240, 253, 265, 294, 299 and 308 of the Customs Code of the Union, as well as by this Law.
3. The list of documents submitted along with the customs declaration of goods may be reduced by the Government of the Republic of Armenia, depending on the customs declaration method (in writing, electronically), customs procedure, types of goods and persons transporting goods.
4. Customs authority shall be entitled to verify the compliance of carbon copies of documents submitted during the customs declaration with the originals thereof. After verification the submitted documents shall be returned, within one day, to the person having submitted them.
5. The procedure for submitting the customs declaration of goods and registration, the procedure for amending the declared information and recalling the customs declaration of submitted goods shall be prescribed by Articles 190-192 of the Customs Code of the Union.

#### **Article 160. Place of declaration**

1. Goods and transportation means that are not goods of the Union, except for cases prescribed by the legislation of the Union and the Republic of Armenia, shall be subject to declaration at regional or specialised customs houses or customs points, as prescribed by the Customs Code of the Union.
2. Goods and transportation means of the Union, except for cases prescribed by the legislation of the Union and the Republic of Armenia, shall be subject to declaration at regional or specialised customs houses or customs points, as prescribed by the international treaties of the Republic of Armenia.

3. Declaration of separate goods shall be carried out at specialised customs authorities established as prescribed by Article 6 of this Law.
4. Transportation means that are not loaded and those transporting only passengers shall be declared at customs authorities when crossing the customs border, except for air transportation means, which shall be declared at places of arrival, i.e. at airports.

#### **Article 161. Declarant**

1. The following may act as a declarant:
  - (1) a person of the Union, where he or she:
    - (a) has concluded a contract of foreign economic activity or a contract on foreign economic activity has been concluded on the behalf (upon the assignment) thereof;
    - (b) has the right to possess, dispose of, and use the goods, irrespective of the availability of a contract of foreign economic activity;
  - (2) a foreign natural person transporting goods for personal use;
  - (3) the carrier or the consignor that is a person of the Union, in case of submitting a transit declaration.
2. Rights and obligations of the declarant are prescribed by Articles 187 and 188 of the Customs Code of the Union.
3. In case of failure to perform or improper performance of his or her obligations prescribed by the customs legislation of the Republic of Armenia and the Union, the declarant shall bear responsibility, as prescribed by law.

## **Article 162. Time frames for submitting a customs declaration**

1. The time frames for submitting the declaration of goods are prescribed by Article 185 of the Customs Code of the Union.
2. The time frames for submitting a transit declaration shall be prescribed by a decision of the Commission of the Union.

## **Article 163. Submission and registration of the customs declaration**

1. The declarant shall submit the customs declaration to the customs authority in hard copy, in case of a written declaration, or through the automatic declaration system, in case of electronic declaration.
2. In case of submitting the customs declaration to the customs authority in hard copy, the electronic copy thereof must be submitted as well.
3. During the submission of the customs declaration, the customs authority shall specify the serial number, date, month and year of submission of the customs declaration:
  - (1) in case of written declaration, through making a note, by the customs authority, on the declaration submitted;
  - (2) in case of electronic declaration, through the automatic declaration system.
4. Before the registration of the submitted customs declaration, in case of written declaration — the official of the customs authority, or in case of electronic declaration — the automatic declaration system, shall carry out — within a maximum of two hours after submitting — verification of accuracy of observing the procedure for filling in the customs declaration, prescribed by the legislation of the Republic of Armenia and the Union. The customs authority shall reject the registration of the submitted customs declaration in case of availability of one of

the grounds provided for by Article 190 of the Customs Code of the Union, as well as of absence of information mandatory for filling in, prescribed by the legislation or international treaties of the Republic of Armenia.

5. The customs authority shall register the written or electronic declaration filled in and signed by the declarant as prescribed by the legislation, with regard whereto a serial number of registration shall be issued to the declaration, and the date, month and year shall be indicated.
6. As a result of verification, by the customs authority, of the customs declaration submitted electronically, where the customs authority reveals the fact of double registration of the indicated declaration, it shall inform the declarant thereon. Where the declarant confirms the fact of double registration of the declaration or fails to submit information within two hours, the double-submitted declaration shall not be registered.
7. In cases of submitting an electronic customs declaration, the declarant shall be obliged to submit a notification — when submitting the declaration — on the willingness thereof to submit for inspection, upon the request of the customs authority, the declared goods and the documents necessary for customs control to the customs authority through the automatic declaration system.
8. After the registration of the declaration, selection of routing for customs control shall be carried out by means of risk management system.
9. Electronic copies of written declaration, submitted along with them, shall be entered by the customs authority into the automatic declaration system within one working day after registration.
10. From the moment of registration of the customs declaration, it shall be deemed to be a document of legal significance.



## **Article 164. Preliminary customs declaration of goods**

1. A customs declaration may be submitted before the entry of foreign goods into the territory of the Republic of Armenia.
2. During the preliminary declaration of goods the customs authority shall accept copies of accompanying transport (transporting) or trade documents, signed by the declarant, or electronically submitted information, included in those documents, which shall be compared with the originals of documents submitted by the declarant to the customs authorities, and with the information contained therein.
3. The information which, in its nature, might not have been known to the declarant prior to entry of goods into the territory of the Republic of Armenia and/or its submission to the customs authorities may be not included in the preliminary customs declaration.

Information indicated by this part must be included in the customs declaration prior to rendering a decision on release of goods as prescribed by the decisions of the Commission of the Union.

4. In case of deviation of actual indicators of the goods from the value, quantity or weight specified in the preliminary declaration submitted based on transport (transportation) or trade documents, the declarant shall submit documents confirming changes thereof.
5. In case of revealing — after the import of goods into the territory of the Customs Union — a deviation of the value, quantity or weight of goods specified in the preliminary declaration, the declarant shall be entitled to recall the declaration submitted thereby, as prescribed by this Law.
6. In case of preliminary declaration, normative legal acts in force as of the day of registration of declaration by the customs authority shall be applied.

7. In case of failure to submit — within thirty days following the registration of declaration — the declared goods to the customs authority having registered the preliminary declaration, the preliminary declaration shall be deemed revoked and removed from the automatic declaration system.
8. A preliminary declaration shall not be deemed to be a document having legal force and may be amended by the declarant or at the initiative of the customs authority.

**Article 165. Incomplete customs declaration of goods**

1. In case of failure to have the whole information for filling in the customs declaration at the disposal, the declarant may be permitted to submit an incomplete customs declaration, on condition that data necessary for the calculation and making of customs payments, as well as release of goods are submitted therein. The submitted data must confirm the fact of observing the prohibitions and restrictions prescribed by law, as well as ensure the possibility for identification of goods, by the customs authorities, based on the quantitative and qualitative characteristics of the goods.
2. Incomplete declaration of goods may be carried out where transportation of imported goods is carried out:
  - (1) by open transportation means, in case of absence of the possibility to submit the information on accurate weight of goods as of the day of registration of the declaration by customs authorities;
  - (2) by special containers and transportation means, where declaration of accurate quantity is not possible without carrying out certain technological actions over the goods.

3. In case of submission of an incomplete declaration, the law shall prescribe the application of the requirements and conditions, including obligations for making customs payments, which are envisaged for submitting a complete customs declaration.
4. In case of submission of an incomplete declaration, the declarant shall be obliged to submit a customs declaration with adjusted data, within a time frame not exceeding thirty days following the registration of the incomplete declaration.
5. In case of failure to submit — within the time period provided for by part 4 of this Article — a declaration with adjusted data, the declarant shall bear the liability for failure to submit the declaration to the customs authority within the time frame provided for by law.

#### **Article 166. Periodic declaration of goods**

1. In case of regular transportation of goods across the border of the Union by the same person, one customs declaration may be submitted, for all the goods being transported within thirty days following the submission of the customs declaration.
2. Goods shall be deemed to be the same where they have the same CN FEA code.
3. Goods shall be deemed to be transported regularly by the same person, where that person carries out three and more supplies of those goods within thirty days.
4. For customs purposes, the following shall be considered as one consignment:
  - (1) in case of export from the territory of the Union, supplies carried out by one person — within a time period of thirty days — across the same border crossing point and cleared at the same customs authority within the

scope of one foreign economic contract, irrespective of the quantity of separate supplies;

- (2) in case of import into the territory of the Union, the same goods cleared at the same customs authority — within a time period of thirty days — within the scope of one foreign economic contract, irrespective of the quantity of separate supplies.
5. Payment of customs duties and taxes shall be carried out on the basis of a complete customs declaration, prior to release of goods.
  6. In case of submitting a periodic customs declaration, the normative legal acts in force as of the day of registration of the declaration shall have effect.
  7. Periodic declaration shall be carried out prior to the beginning of the time period for supply, in case of availability of a security of payment of the customs duty and taxes by way of submitting the periodic declaration.
  8. During each supply provided for by the periodic declaration, the customs authority shall carry out record-registration and customs control of goods until the completion of the time frame of the periodic declaration.
  9. After the completion of the time period for supply, within the maximum of ten days, a complete customs declaration shall be submitted to customs authorities, with an adjustment of quantities of goods actually imported or exported and other data.
  10. The customs authority shall reject the registration of the periodic declaration, where:
    - (1) the requirements prescribed by this Law for submitting the periodic declaration have not been observed;
    - (2) the declarant has outstanding liabilities with respect to the customs duty and taxes;

- (3) the person has been declared bankrupt.

**Article 167. Specifics of declaration of goods in a disassembled or dismantled, including incomplete or unfinished state**

1. Goods may be declared under single CN FEA code in case of being transported in several consignments in a disassembled or dismantled, including incomplete or unfinished state, in case of availability of a preliminary decision by the superior customs authority on the classification, received before transportation of goods, based on the permit of the head of the superior customs authority or the person authorised thereby.

The decision provided for by this part must contain information on the declarant, the CN FEA code of completed or finished goods and the compliance of the submitted goods with that code and the time frame for transportation of goods, as well as may contain other reference information, at the discretion of the superior customs authority.

2. The permit provided for by part 1 of this Article shall have effect for a maximum term of one year and may be extended for six more months, based on the substantiated application of the declarant.

**Article 168. Declaration of goods in a single consignment**

1. Where goods in a single consignment are classified under different CN FEA codes so that their declaration-related costs are comparable or exceed payable customs payments in accordance with the calculations made by the declarant, then the customs authorities may, based on a written application of the declarant, allow to declare those goods by classifying them under the code of goods wherefore a maximum rate of customs duty is prescribed by the customs

legislation of the Republic of Armenia or the Union. The Government of the Republic of Armenia shall prescribe the cases of application of this provision, types and in kind quantities of goods being declared.

## CHAPTER 25

### *RELEASE OF GOODS*

#### **Article 169. Release of goods**

1. The release of goods shall be carried out by the customs authorities in accordance with Chapter 28 of the Customs Code of the Union.
2. In case one consignment of goods includes several goods, the customs authority shall carry out the release of goods, for the release of which the conditions prescribed by the customs legislation of the Republic of Armenia and the Union have been observed.

#### **Article 170. Grounds for the release of goods**

1. In case of observing other conditions for the release of goods prescribed by the Code of the Union and the legislation of the Republic of Armenia, the goods shall be released when the envisaged licences, permissions, warrants and other documents provided for by the legislation are available during the declaration.

## **Article 171. Time frames for the release of goods**

1. The time frames for the release of goods shall be prescribed by Article 196 of the Customs Code of the Union.
2. In accordance with point 4 of Article 196 of the Customs Code of the Union, the extension of the time frames for the release of goods shall be permitted for a maximum period of 10 working days following the day of registering the declaration:
  - (1) for the purpose of submitting by the declarant the security for the payment of the customs duty, taxes, but not later than until the day of submitting the security for the payment of the customs duty, taxes;
  - (2) in cases prescribed by the legislation — for the purpose of submitting by the declarant the licences, warrants, permissions and other documents, but not later than until the day of submitting the mentioned documents in writing or electronically;
  - (3) for the purpose of verifying the CN FEA code, but not later than until the day of verification;
  - (4) for the purpose of additional inspection provided for by Article 69 of the Customs Code of the Union, until the submission of the relevant security for the payment of the customs duty, taxes;
  - (5) in cases of necessity of requesting the documents and information concerning the goods mentioned in the customs declaration or customs examination thereof, detecting inconsistencies in the information on goods being declared in the customs declaration and the documents submitted or other information specified in the packages of goods and/or in the appearance of goods, the availability of preliminary information on potential

violations during the customs declaration — before receiving the additional documents requested or the end of the customs examination of goods;

- (6) in case of submitting by the declarant an application in writing on extending the time frame for the release of goods, conditioned by the necessity of payment of additionally calculated customs duty, taxes, pursuant to the decision of the customs authority — until the payment of the customs duty, taxes.

#### **Article 172. Release of goods before the submission of the customs declaration**

1. The grounds and conditions for the release of goods before the submission of the customs declaration shall be prescribed by Article 197 of the Customs Code of the Union.

#### **Article 173. Conditional release**

1. The conditionally released goods shall be deemed to be the goods released in cases prescribed by Article 200 of the Customs Code of the Union.

***(Article 173 edited by HO-81-N of 16 May 2016)***

#### **Article 174. Refusing the release of goods**

1. In case the requirements and conditions for the release of goods prescribed by this Law and the Customs Code of the Union are not observed, the customs authority shall refuse the release of goods, by informing the declarant in writing of the reasons thereof.



2. The procedure for executing the refusal to release the goods shall be established by the Commission of the Union.
3. The customs authority shall refuse the release of goods where the customs control revealed facts of violation of the provisions prescribed by law. The release of goods provided for by this part shall be permitted where:
  - (1) the violations detected and not having the nature of administrative offences are corrected;
  - (2) the detected violations are corrected, and the goods are not seized as prescribed by law or an attachment is not imposed thereon.
4. The refusal to release the goods may be appealed against under the procedure prescribed by the legislation of the Republic of Armenia.

***(Article 174 amended by HO-81-N of 16 May 2016)***

## SECTION V

### CUSTOMS PROCEDURES

#### CHAPTER 26

##### *GENERAL PROVISIONS ON CUSTOMS PROCEDURES*

###### **Article 175. Clearance of goods under the customs procedure**

1. The goods imported into the Republic of Armenia and not considered as goods of the Union shall be cleared under the customs procedure selected by the declarant in the manner and in compliance with the conditions provided for by the Customs Code of the Union, this Law and the international treaties of the Republic of Armenia.
2. The goods exported from the Republic of Armenia into the states that are not members of the Union shall be cleared under the customs procedure selected by the declarant in the manner and in compliance with the conditions provided for by the Customs Code of the Union, this Law and international treaties of the Republic of Armenia where they are not envisaged for the export outside the customs territory of the Union.
3. The goods of the Union shall be transported (imported or exported) through the border of the Republic of Armenia under customs procedure "Customs transit".
4. The goods imported from the territory of the state that is not a member of the Union, through the border of the Republic of Armenia, may be cleared under

customs procedures "Release for domestic consumption", "Inward processing", "Processing for domestic consumption", "Temporary import", "Customs warehouse", "Re-import", "Duty-free trade", "Destruction", "Abandoning in favour of the state", "Free warehouse" and "Free customs zone".

5. Double customs clearance shall not be carried out when importing the goods of the Union into the territory of the Republic of Armenia.
6. The declarant may change the customs procedure selected thereby in compliance with this Law.

#### **Article 176. Customs procedures**

1. Types of customs procedures shall be prescribed by Article 202 of the Customs Code of the Union.
2. Customs procedures "Free customs zone" and "Free warehouse" shall be prescribed in compliance with the international treaties of the members states of the Union.

#### **Article 177. Arising and automatic termination of the obligation to pay the customs payments when clearing the goods under the customs procedures**

1. The obligations to pay the customs duty, taxes when clearing the goods under the customs procedures shall arise and automatically terminate in compliance with the Customs Code of the Union.

**Article 178. Guarantees ensuring the compliance with the conditions for the customs procedures**

1. In case limitations on use and disposal of goods are prescribed by the conditions and requirements for the customs procedure selected by the declarant and for the purpose of ensuring the given conditions and requirements, the customs authorities shall be competent to request from the declarant or the authorised person thereof a letter of commitment in writing on ensuring the observance of the limitations prescribed, make identification of goods, carry out sealing and lead-sealing of packages and constructions envisaged for the storage of goods, undertake other measures ensuring the observance of the mentioned limitations.

**CHAPTER 27**

***CUSTOMS PROCEDURE "RELEASE FOR DOMESTIC CONSUMPTION"***

**Article 179. Essence of customs procedure "Release for domestic consumption" and conditions for the clearance of goods thereunder**

1. The essence of customs procedure "Release for domestic consumption" and the conditions for the clearance of goods thereunder shall be prescribed by Articles 210 and 211 of the Customs Code of the Union.
2. In case the goods cleared under customs procedure "Release for domestic consumption" in the members states of the Union are imported into the Republic

of Armenia, the customs clearance of the goods under the mentioned customs procedure shall not be required.

3. Where, under the customs procedure "Release for domestic consumption", in the members states of the Union the customs duties were paid at the rate lower than rates of customs duties for the import of goods prescribed by the legislation, or where the goods imported are made of a raw material, during the import whereof the member states of the Union applied customs duty benefits, or where the regulations applied for the goods in the Republic of Armenia were not applied in the member state of the Union, then the payment of the additional amounts of the import customs duties and the submission of the necessary documents conforming to the regulations existing in the Republic of Armenia shall be made during the declaration thereof.

**Article 180. Application of customs procedure "Release for domestic consumption" in case of conditional release of the goods**

1. In case of application of import customs duty and tax benefits related to the limitations on use and/or disposal of goods under customs procedure "Release for domestic consumption", double clearance under the mentioned procedure shall not be required for acquiring the status of goods of the Union, in accordance with part 7 of Article 200 of the Customs Code of the Union.
2. The procedure for paying the customs duties and taxes for acquiring the status of goods of the Union shall be prescribed by this Law.
3. In accordance with point 2 of part 1 of Article 200 of the Customs Code of the Union, the declarant shall submit the documents on conditionally released goods to the customs authority having made the conditional release. The customs authority shall accept those documents based on the application of the declarant, wherein the registration number of the declaration of the goods is indicated.

Based on the application of the declarant, the customs authority shall be obliged to provide a written confirmation with regard to accepting the documents.

4. The limitations on use and/or disposal of goods prescribed on the grounds for granting benefits for the payment of the customs duty, taxes shall automatically terminate within three years following the release of goods.

## CHAPTER 28

### *CUSTOMS PROCEDURE "EXPORT"*

#### **Article 181. Essence of customs procedure "Export" and conditions for the clearance of goods thereunder**

1. The essence of customs procedure "Export" and the conditions for the clearance of goods thereunder shall be prescribed by Articles 212 and 213 of the Customs Code of the Union.

## CHAPTER 29

### *CUSTOMS PROCEDURE "CUSTOMS TRANSIT"*

#### **Article 182. Essence of customs procedure "Customs transit" and clearance of goods thereunder**

1. The essence of customs procedure "Customs transit" and the conditions for the clearance of goods thereunder shall be prescribed by Articles 215 and 216 of the Customs Code of the Union.
2. In case of transporting goods under customs procedure "Customs transit", the declarant shall submit to the customs authority the transit declaration prescribed by Article 182 of the Customs Code of the Union.
3. The peculiarities of the transit carried out from one customs authority to another customs authority within the territory of the Republic of Armenia shall be established by the Government of the Republic of Armenia in accordance with Article 215 of the Customs Code of the Union.

#### **Article 183. Measures ensuring customs procedure "Customs transit"**

1. The measures ensuring customs procedure "Customs transit" shall be prescribed by part 1 of Article 217 of the Customs Code of the Union.
2. When clearing the goods under customs procedure "Customs transit", the customs authorities shall not request a security for the payment of customs duties and taxes in cases prescribed by part 2 of Article 217 of the Customs Code of the Union.

3. The cases of adoption by the customs authorities of a decision on customs convoy of transportation means transporting goods under customs procedure "Customs transit" shall be prescribed by part 2 of Article 218 of the Customs Code of the Union. In case of a customs convoy, a customs fee shall be charged in the amount and within the time frames prescribed by Chapter 14 of this Law.
4. The customs convoy of the transportation means transporting goods under customs procedure "Customs transit" shall be carried out by the customs authorities.
5. The customs authorities shall determine the transportation routes under the procedure and conditions prescribed by part 3 of Article 217 of the Customs Code of the Union. The Government of the Republic of Armenia may determine the transportation routes for the goods of certain types transported within the territory of the Republic of Armenia under customs procedure "Customs transit".

**Article 184. Place of destination of goods**

1. The place of destination of goods shall be prescribed by Article 220 of the Customs Code of the Union.
2. For the goods imported into the Republic of Armenia from the states that are not members of the Union, the customs authority shall, irrespective of the places of destination of the goods indicated in the transportation (carriage) documents, may determine other places of destination in the following cases:
  - (1) where the customs declaration is carried out by the specialised customs authority in compliance with this Law;
  - (2) where there is an emergency within the zone of activities of the customs authority of the place of destination or the Law imposes prohibitions for the import of certain types of goods.



3. Regardless of points 1 and 2 of this part, the Government of the Republic of Armenia may establish other cases of change of the places of destination.

**Article 185. Obligations and liability of the carrier during the carriage of goods transported under procedure “Customs transit”**

1. The obligations of the carrier during the carriage of goods cleared under customs procedure “Customs transit” shall be prescribed by Article 223 of the Customs Code of the Union.
2. In case of failure to deliver the goods cleared under customs procedure "Customs transit" and the documents to the customs authority of the destination, the carrier shall be held liable as prescribed by the Law of the Republic of Armenia, where the goods have been released in the Republic of Armenia under that procedure.
3. Where the carrier fails to fulfil the obligations thereof when clearing the goods under customs procedure "Customs transit" in the cases other than the case prescribed by part 2 of this Article, he or she shall be held liable as prescribed by the Law of the Republic of Armenia, where the violation has been detected within the territory of the Republic of Armenia.

**Article 186. Discharge of customs procedure "Customs transit"**

1. Customs procedure "Customs transit" shall be discharged as prescribed by Article 225 of the Customs Code of the Union, in accordance with this Article.
2. The goods imported into the territory of the Republic of Armenia from the member states of the Union (except for the import by air transport) shall be cleared under customs procedure "Customs transit".

3. For the purpose of registering in the border crossing points of the Republic of Armenia the discharge of customs procedure "Customs transit" for the goods imported from the member states of the Union under customs procedure "Custom transit", the carrier shall submit the transit declaration and accompanying documents of the goods to the customs authority within the time frames prescribed by parts 4 and 7 of this Article, based whereon the customs authority shall, within one day, make an entry on the discharge of transit in the automatic declaration system and on the documents submitted by the carrier.
4. Following the discharge of customs procedure "Customs transit" from the member states of the Union, the goods shall not be placed under temporary storage.
5. For the discharge of "Customs transit" for the goods imported into the Republic of Armenia from the states that are not members of the Union through the territory of the state that is not a member of the Union under customs procedure "Customs transit", the carrier of goods shall, within one hour following the arrival at the place of destination, and in case of arrival beyond working hours of the customs authorities — within two hours from the start of the working time, submit to the customs authorities the transit declaration and accompanying documents of the goods.
6. The carrier, declarant or the customs representative shall, within three hours following the discharge of customs procedure "Customs transit" for the goods provided for by part 5 of this Article, carry out the customs operations related to the temporary storage of the goods or to the declaration of the goods under the relevant customs procedure, in compliance with the Customs Code of the Union and this Law.
7. During the transportation of goods by the railway transport, the carrier shall submit the documents provided for by parts 3 and 5 of this Article within 12

working hours following the arrival of the transportation means at the place of destination of goods.

8. The customs authority of the destination shall be obliged to, within one hour following the time frames prescribed by part 3 of Article 225 of the Customs Code of the Union and this Law for the submission of the documents, register the fact of submission of the documents and arrival of the transportation means and issue to the carrier a written confirmation of the arrival of the transportation means in the form prescribed by the superior customs authority.
9. In case of import carried out by the authorised economic operators, the customs procedure of customs transit shall be discharged in the places provided for by points 1 and 3 of part 1 of Article 41 of the Customs Code of the Union.

## CHAPTER 30

### *CUSTOMS PROCEDURE "CUSTOMS WAREHOUSE"*

#### **Article 187. Essence of customs procedure "Customs warehouse", conditions for the clearance of goods thereunder and time frames for the storage of good in the customs warehouse**

1. The essence of customs procedure "Customs warehouse", conditions for the clearance of goods thereunder and time frames for the storage of goods in the customs warehouse shall be prescribed by Article 229-231 of the Customs Code of the Union.

**Article 188. Conditions for the clearance of goods under customs procedure "Customs warehouse" when failing to actually place the goods in the customs warehouse**

1. The transportation of goods, not actually placed in the customs warehouse due to large sizes, under customs procedure "Customs warehouse" shall be permitted based on the written permission of the customs authority, in the manner prescribed by the superior customs authority.
2. In case of goods not actually placed in the customs warehouse, the person imposing customs procedure "Customs warehouse" thereon shall be obliged to submit to the customs authority a report on the goods placed under temporary storage in the manner prescribed by the superior customs authority.

**Article 189. Goods stored in customs warehouses, ensuring of reporting and accountability**

1. The Government of the Republic of Armenia shall define the list of the types of goods stored in the exclusively private customs warehouses.
2. The procedure for record-keeping of goods transported under customs procedure "Customs warehouse" and/or placed in customs warehouses and for reporting thereon shall be established by the Government of the Republic of Armenia.

**Article 190. Discharge of customs procedure "Customs warehouse"**

1. The procedure and time frames for the discharge of customs procedure "Customs warehouse" shall be prescribed by Article 236 of the Customs Code of the Union.
2. The customs procedure of destruction may be applied for the goods stored in the customs warehouse by the operator of the customs warehouse.

**CHAPTER 31**

***CUSTOMS PROCEDURE "INWARD PROCESSING"***

**Article 191. Essence of customs procedure "Inward processing" and customs clearance of goods thereunder**

1. The essence of customs procedure "Inward processing" and the conditions for the clearance of goods under the given customs procedure shall be prescribed in accordance with Article 239 and 240 of the Customs Code of the Union.
2. For the clearance of goods under customs procedure "Inward processing", the declaration shall be submitted to the customs authority by the person having obtained the permission for inward processing of goods in the manner prescribed by the Government of the Republic of Armenia or by the persons directly carrying out the operation of the processing of goods.

**Article 192. Identification of products after processing of goods released under customs procedure "Inward processing"**

1. For the purpose of identification of the products after processing of goods released under customs procedure "Inward processing", the means referred to in Article 242 of the Customs Code of the Union shall be applied.
2. The suitability of application of the declared means of identification shall be determined by the customs authority when granting the permission for the processing of goods. Where the customs authority does not consider appropriate the application of the means of identification of goods, suggested by the declarant, it shall take a decision on the means of identification of the goods and inform the declarant thereon.

**Article 193. Time frames for the processing of goods released under customs procedure "Inward processing"**

1. Based on the application of the declarant, the import of goods under customs procedure "Inward processing" shall be permitted by the customs authorities for a period not exceeding one year.  
  
Where the time frame requested by the declarant is less than one year, the customs authority shall, based on the application of the declarant, extend the time frame for a period not exceeding one year from the day of import.
2. The Government of the Republic of Armenia may permit the release of declared goods under customs procedure "Inward processing" or the extension of the time frame for customs procedure "Inward processing" applied with regard to the imported goods only once for a period not exceeding two years.
3. The import of cultural values and diamonds, natural, whether processed or not, but not mounted or set (CN FEA codes 710210000, 710221000, 710231000) into

the territory of the Republic of Armenia under customs procedure "Inward processing" shall be carried out as prescribed by the Government of the Republic of Armenia.

**Article 194. Limits of products derived from inward processing**

1. The minimum limits of products derived from the processing of goods under customs procedure "Inward processing" shall be determined by the person being granted permission for the inward processing and shall be approved by the customs authority based on the examination of the application submitted for obtaining the permission for the inward processing of goods.
2. For the purpose of approving the minimum quantity of the product derived from the processing of goods under customs procedure "Inward processing", the customs authorities shall take into account the peculiarities of technological operations of processing.
3. For the purpose of application of the customs procedure prescribed by part 1 of this Article, the Government of the Republic of Armenia may determine, for certain goods, the minimum limits of the product to be derived from the processing.

**Article 195. Granting a permission for the inward processing of goods**

1. The permission for the inward processing of goods shall be deemed to be the document on the conditions for the inward processing of goods provided for by Articles 240 and 244 of the Customs Code of the Union. The information prescribed by Article 244 of the Customs Code of the Union shall be indicated in the permission for the inward processing of goods.

2. For the purpose of obtaining the permission for the inward processing of goods, the declarant shall submit an application to the customs authority in hard copy or electronically and the following documents and information shall be submitted therewith:
  - (1) information on the declarant and persons carrying out the processing;
  - (2) copies of contracts for the supply of raw materials and semi-finished products or contracts for the provision of services (performance of works) or copies of invoices and copies of contracts for the export of products derived from processing;
  - (3) information on codes, status, quantity of goods subject to processing;
  - (4) information on the minimum quantity of the product derived from the processing, as well as information on further operations to be carried out with regard to the wastes and residues generated as a result of processing;
  - (5) information on the suggested method of identification of the products after processing of goods;
  - (6) information on the processing operations of the imported goods and/or replacing them with equivalent goods where such replacement is envisaged.
3. Based on the documents and information submitted by the declarant, the customs authority shall, within three working days, and in case of necessity to conduct professional expert examination — within fifteen working days, grant the permission for the inward processing of goods.
4. In case the documents and information submitted by the declarant are incomplete, the customs authority shall inform the declarant thereon within one working day.



5. In case of receiving a notification on the incompleteness of documents, the declarant shall, within two working days, complete them which suspends the running of the time frame referred to in part 3 of this Article.
6. In case of failure by the declarant to submit the documents and information referred to in this Article within the time frames prescribed by part 5 of this Article, the customs authority shall, within two working days, reject in writing the application on obtaining permission for the inward processing of goods, by substantiating the grounds for rejection.

***(Article 195 amended, supplemented by HO-81-N of 16 May 2016)***

**Article 196. Revoking the permission for the inward processing of goods**

1. The permission granted by the customs authority for the inward processing of goods may be revoked by the customs authority.
2. The customs authority shall revoke the permission for the inward processing of goods where the following are disclosed:
  - (1) for the purpose of obtaining it, obviously false information on the goods, products after processing, residues and wastes, limits is provided which resulted in the reduction of the amount of the customs payments;
  - (2) the conditions and requirements prescribed by law and the customs legislation of the Union for customs procedure "Inward processing" have not been observed.
3. The decision of the customs authority on revoking the permission for the inward processing of goods shall enter into force from the date of granting the permission for the inward processing of goods.

4. The customs duties and taxes for foreign goods released under customs procedure "Inward processing" shall, within ten days after receiving the decision of the customs authority on revoking the permission for the inward processing of goods, be payable as prescribed by Article 251 of the Customs Code of the Union.
5. The procedure for and form of the decision on revoking the permission for the inward processing of goods shall be established by the superior customs authority.

***(Article 196 edited by HO-81-N of 16 May 2016)***

**Article 197. Replacement of foreign goods with equivalent goods (equivalent compensation)**

1. Upon the permission of the customs authority, the foreign goods cleared under customs procedure "Inward processing" may be replaced with equivalent goods in accordance with Article 248 of the Customs Code of the Union.

The customs authority shall make an indication regarding the permission to apply the equivalent replacement in the permission for the inward processing of goods.

2. The replacement of foreign goods with equivalent goods shall be permitted by the customs authority, provided that the export of the products derived after the processing of equivalent goods shall be carried out before the import of foreign goods into the customs territory of the Union, which is indicated in the permission for the inward processing of goods.

The time frames for the import of foreign goods shall be determined by the person who has received (must receive) permission for the inward processing of goods, in co-ordination with the customs authority.

3. The Government of the Republic of Armenia may establish the procedure for the replacement of foreign goods with equivalent goods.

## CHAPTER 32

### *CUSTOMS PROCEDURE "OUTWARD PROCESSING"*

#### **Article 198. Essence of customs procedure "Outward processing" and conditions for the clearance of goods thereunder**

1. The essence of customs procedure "Outward processing" and the conditions for the clearance of goods thereunder shall be prescribed in accordance with Articles 252 and 253 of the Customs Code of the Union.
2. The customs declaration for the clearance of goods under customs procedure "Outward processing" shall be submitted to the customs authority by the person having obtained the permission for the outward processing of goods.

#### **Article 199. Time frames for the processing of goods released under customs procedure "Outward processing"**

1. Based on the application of the declarant, the export of goods for the outward processing shall be permitted by the customs authorities for a period not exceeding one year.

Where the time frame requested by the declarant is less than one year, the customs authority shall, based on the application of the declarant, extend that time frame for a period not exceeding one year from the day of export.

2. The Government of the Republic of Armenia may permit the release of goods declared under customs procedure "Outward processing" or extension of the time frame for customs procedure "Outward processing" applied for the exported goods only once for a period of up to one year.
3. The export of diamonds, natural, whether processed or not, but not mounted or set (CN FEA codes 710210000, 710221000, 710231000) from the territory of the Republic of Armenia under customs procedure "Outward processing" shall be carried out as prescribed by the Government of the Republic of Armenia.

**Article 200. Identification of products after processing, released under customs procedure "Outward processing"**

1. The identification of the products after processing of the goods released under customs procedure "Outward processing" shall be done by applying the means referred to in Article 255 of the Customs Code of the Union.
2. The expediency of application of the means of identification of the products after processing suggested by the declarant shall be determined by the customs authority. Where the customs authority does not consider applicable the means of identification of the products after processing, suggested by the declarant, it shall take a decision on selection of the means of identification and shall inform the declarant thereof.

**Article 201. Minimum limits of products to be derived from the outward processing**

1. The minimum limits of products to be derived from the processing of goods under customs procedure "Outward processing" shall be determined by the person obtaining the permission for the export of goods under customs procedure "Outward processing" and shall be approved by the customs authority based on the examination of the application submitted for obtaining the permission for the outward processing of goods.
2. For the purpose of approving the minimum quantity of the product to be derived from the processing of goods under customs procedure "Outward processing", the customs authorities shall take into account the peculiarities of the technological operations of processing.
3. For the purpose of application of the customs procedure prescribed by part 1 of this Article, the Government of the Republic of Armenia may determine the minimum limits of the product to be derived from the processing.

**Article 202. Permission for the outward processing of goods**

1. Document regarding conditions for the outward processing of goods provided for by Articles 253 and 257 of the Customs Code of the Union shall be deemed to be the permission for the outward processing of goods. The information prescribed by Article 257 of the Customs Code of the Union shall be indicated in the permission for the outward processing of goods.
2. For the purpose of obtaining the permission for exporting goods for processing, the declarant shall submit the following documents to the customs authority in hard copy or electronically and the following documents and information shall be submitted therewith:

- (1) information on the declarant and persons carrying out the processing;
  - (2) copies of contracts for the supply of raw materials and semi-finished products or contracts for the provision of services (performance of works) or copies of invoices and copies of contracts for the import of products derived from processing;
  - (3) information on codes, status, quantity of goods subject to processing;
  - (4) information on the minimum quantity of the product to be derived from processing;
  - (5) information on the suggested methods of identification of the products after processing of goods;
  - (6) information on the processing operations of the imported goods and/or replacing them with equivalent goods where such replacement is envisaged.
3. Based on the documents and information submitted by the declarant, the customs authorities shall, within a period of three working days, and in case of necessity to conduct a professional expert examination — within a period of fifteen working days, grant the permission for the outward processing of goods.
  4. In case the documents submitted by the declarant are incomplete, the customs authorities shall inform the declarant thereon within one working day.
  5. In case of receiving a notification on the incompleteness of documents, the declarant may, within two working days, complete them which suspends the running of the time frame referred to in part 3 of this Article.
  6. In case of failure by the declarant to submit the documents and information referred to in this Article within the time frames prescribed by part 5 of this Article, the customs authority shall, within two working days, reject in writing the application on obtaining a permission for the outward processing of goods, by substantiating the reasons for the rejection.

***(Article 202 amended, supplemented by HO-81-N of 16 May 2016)***

### **Article 203. Revoking the permission for the outward processing of goods**

1. The customs authority may revoke the permission for the outward processing of goods where the following are disclosed:
  - (1) for the purpose of obtaining it, obviously false information on the goods, products after processing, residues and wastes, limits is provided which resulted in the reduction of the amount of the customs payments;
  - (2) the conditions and requirements prescribed by law and the customs legislation of the Union for customs procedure "Outward processing" have not been observed.
2. The decision of the customs authority on revoking the permission for the outward processing of goods shall enter into force from the day of granting the permission for the outward processing of goods.
3. Within ten days after receiving the decision of the customs authority on revoking the permission for the outward processing of goods:
  - (1) the export customs duties prescribed by law shall be payable for the goods of the Union released under customs procedure "Outward processing", in accordance with Article 263 of the Customs Code of the Union;
  - (2) in case of import of products after processing, the import customs duties and taxes shall be payable, in accordance with Article 262 of the Customs Code of the Union.
4. The form of and procedure for revoking the permission for the outward processing of goods shall be established by the superior customs authority.

***(Article 203 edited by HO-81-N of 16 May 2016)***

**Article 204. Replacement of products after processing with foreign goods**

1. The replacement of products after outward processing of goods with foreign goods shall be permitted in accordance with Article 259 of the Customs Code of the Union.
2. The procedure for replacing the products after outward processing of goods with equivalent foreign goods shall be established by the Government of the Republic of Armenia.

**CHAPTER 33**

***CUSTOMS PROCEDURE "PROCESSING FOR DOMESTIC CONSUMPTION"***

**Article 205. Essence of customs procedure "Processing for domestic consumption" and conditions for clearance of goods thereunder**

1. The essence of customs procedure "Processing for domestic consumption" and the conditions for clearance of goods thereunder shall be prescribed in accordance with Articles 264 and 265 of the Customs Code of the Union.

**Article 206. List of the goods, the release whereof is permitted under customs procedure "Processing for domestic consumption"**

1. List of the goods, the release whereof is permitted under customs procedure "Processing for domestic consumption", shall be defined by the Government of the Republic of Armenia.



**Article 207. Identification of the goods released under customs procedure  
"Processing for domestic consumption"**

1. For the purpose of identification of the goods released under customs procedure "Processing for domestic consumption", the means prescribed by Article 267 of the Customs Code of the Union shall be applied.
2. The suitability of application of the means of identification of the goods released under customs procedure "Processing for domestic consumption", suggested by the declarant, shall be determined by the customs authority. Where the customs authority does not consider applicable the means of identification of the products after processing, suggested by the declarant, it shall take a decision on selection of the means of identification and shall inform the declarant thereof.

**Article 208. Terms for goods released under customs procedure "Processing  
for domestic consumption"**

1. Upon the application of the declarant, the import of goods for processing shall be permitted by the customs authorities for a period not exceeding six months.
2. Where the time frame requested by the declarant is less than six months, the customs authority shall, based on the reasoned application of the declarant, extend that time frame for a period not exceeding six months from the day of import.

**Article 209. Minimum limits of products to be derived from clearance of  
goods under customs procedure "Processing for domestic  
consumption"**

1. The minimum limits of products to be derived from the processing of goods under customs procedure "Processing for domestic consumption" shall be

determined by the person obtaining the permission for the processing for domestic consumption and shall be approved by the customs authority based on the examination of the application submitted for obtaining the permission for the processing of goods for domestic consumption.

2. For the purpose of approving the minimum quantity of the product to be derived from the processing of goods under customs procedure "Processing for domestic consumption", the customs authorities shall take into account the peculiarities of technological operations of processing.
3. For the purpose of application of the customs procedure prescribed by part 1 of this Article, the Government of the Republic of Armenia may determine, for certain goods, the minimum limits of the product to be derived from processing.

**Article 210. Permission with regard to the conditions for processing of goods under procedure "Processing for domestic consumption"**

1. Document regarding conditions for the processing of goods under customs procedure "Processing for domestic consumption" provided for by Articles 265 and 269 of the Customs Code of the Union shall be the permission for processing of goods for domestic consumption. The information prescribed by Article 269 of the Customs Code of the Union shall be indicated in the permission for clearance of goods under customs procedure "Processing for domestic consumption".
2. For the purpose of obtaining the permission for importing goods for processing for domestic consumption, the declarant shall submit an application to the customs authority in hard copy or electronically and the following documents and information shall be submitted therewith:
  - (1) information on the declarant and persons carrying out the processing;

- (2) copies of contracts for the supply of raw materials and semi-finished products or contracts for the provision of services (performance of works) or copies of invoices;
  - (3) information on codes, status, quantity of goods subject to processing;
  - (4) information on the minimum quantity of the product to be derived from the processing, as well as information on further operations to be carried out with regard to the wastes, residues generated as a result of processing;
  - (5) information on the suggested method of identification of products after processing of goods;
  - (6) information on the processing operations of the imported goods and/or replacing them with equivalent goods where such replacement is envisaged.
3. Based on the documents and information submitted by the declarant, the customs authorities shall, within three working days, and in case of necessity to conduct professional expert examination — within fifteen working days, grant the permission for the inward processing of goods.
  4. In case the documents submitted by the declarant are incomplete, the customs authorities shall inform the declarant thereon within one working day.
  5. In case of receiving a notification on the incompleteness of documents, the declarant may, within two working days, complete them which suspends the running of the time frame referred to in part 3 of this Article.
  6. In case of failure by the declarant to submit the documents and information referred to in this Article within the time frame prescribed by part 5 of this Article, the customs authority shall, within two working days, reject in writing the application on obtaining permission for the inward processing of goods, by substantiating the reasons for rejection.

***(Article 210 amended, supplemented by HO-81-N of 16 May 2016)***

**Article 211. Revoking the permission for the processing of goods under customs procedure "Processing for domestic consumption"**

1. The permission for clearance of goods under customs procedure "Processing for domestic consumption" may be revoked by the customs authority where obviously false information has been provided for obtaining it and it resulted in the reduction of the amount of customs payments.
2. The decision taken by the customs authority on revoking the permission provided for by part 1 of this Article shall enter into force from the date of granting the permission for the processing of goods for domestic consumption.
3. Within a period of ten days after receiving the decision of the customs authority on revoking the permission for clearance of goods under customs procedure "Processing for domestic consumption", the import customs duties must be paid for foreign goods cleared under customs procedure "Processing for domestic consumption" and not yet processed as of the day of adoption of the mentioned decision, in accordance with Article 276 of the Customs Code of the Union.
4. The form of and procedure for revoking the permission for the processing of goods for domestic consumption shall be established by the superior customs authority.

***(Article 211 edited by HO-81-N of 16 May 2006)***

## CHAPTER 34

### *CUSTOMS PROCEDURE "TEMPORARY IMPORT"*

#### **Article 212. Essence of customs procedure "Temporary import" and conditions for clearance of goods thereunder**

1. The essence of customs procedure "Temporary import" and the conditions for clearance of goods under the given procedure shall be prescribed by Articles 277 and 278 of the Customs Code of the Union.

#### **Article 213. Use and disposal of goods released under customs procedure "Temporary import"**

1. The goods released under customs procedure "Temporary import" shall be used and disposed of with restrictions prescribed by Article 279 of the Customs Code of the Union.
2. The goods released under customs procedure "Temporary import" must be actually possessed and used by the declarant, except for the cases prescribed by Articles 214 and 215 of this Law.

**Article 214. Transfer by the declarant of the goods released under customs procedure "Temporary import" to the possession of and for the use by another person without the permission of the customs authorities**

1. The declarant may transfer the goods released under customs procedure "Temporary import" to the possession of and for the use by a person without the permission of the customs authorities under the grounds prescribed by point 1 of part 3 of Article 279 of the Customs Code of the Union, as well as in other cases prescribed by the Government of the Republic of Armenia.
2. The person, whom the goods released under customs procedure "Temporary import" are transferred to under the right of possession and use, shall, together with the declarant, bear joint and several liability for making payable customs payments.
3. The customs authority shall, pursuant to part 2 of Article 98 of the Customs Code of the Union, have the right to request documents and information on the actual location of the goods released under customs procedure "Temporary import" and in case of transferring the goods to another person — information on that person.

**Article 215. Transfer by the declarant of the goods released under customs procedure "Temporary import" to the possession of and for the use by another person upon the permission of the customs authorities**

1. The transfer of the goods released under customs procedure "Temporary import" to the possession of and for the use by another person under the grounds not referred to in part 3 of Article 279 of the Code of the Union shall be carried out upon the permission of the customs authorities.

2. In case the declarant transfers, with the written permission of the customs authority, the temporarily imported goods to another person under the right of possession and use, then the given person shall assume the obligation to observe the requirements and conditions prescribed by the customs legislation of the Union and the customs legislation of the Republic of Armenia.
3. The declarant shall be obliged to pay the amounts of customs duty and taxes for the goods released under customs procedure "Temporary import" for the period the declarant has used the goods, where the mentioned customs procedure has given rise to the obligation to pay the customs duty and taxes.
4. The person, whom the goods released under customs procedure "Temporary import" are transferred to, shall have rights and bear liabilities from the day the customs authority takes a decision on transferring the temporarily imported goods, in accordance with Chapter 37 of the Customs Code of the Union.

**Article 216. Time frames for the temporary import of goods**

1. The goods may be cleared under customs procedure "Temporary import" for a period requested by the declarant, but not exceeding two years from the day of import. Moreover, where the initially requested period is less than two years, the superior customs authority may, upon the application of the declarant, extend that it for a period not exceeding two years from the day of import.
2. The superior customs authority shall, within three working days, examine the application on extending the time frame for temporary import referred to in part 1 of this Article and shall inform the declarant of extending the time frame for temporary import.

***(Article 216 edited by HO-81-N of 16 May 2006)***

## **Article 217. Temporary import of scientific or commercial samples**

1. Scientific or commercial samples temporarily imported to carry out scientific and research activities shall be subject to simplified declaration in accordance with provisions of this Article.
2. The Government of the Republic of Armenia shall define the maximum quantity and/or maximum value of the goods that are temporarily imported as scientific or commercial samples by the same person on one-time basis or within a certain period of time, in compliance with the customs legislation of the Union.
3. The scientific or commercial samples placed in the accompanying luggage transported by the natural persons, as well transported via postal deliveries, the value of which does not exceed AMD 200 000, shall be declared under the simplified procedure, by submitting, in lieu of the customs declaration, to the customs authorities an application in writing of the organisation receiving scientific or commercial samples. The form of the application referred to in this part shall be prescribed by the superior customs authority.
4. The time frame for releasing the scientific or commercial samples under customs procedure "Temporary import" from the moment of accepting the customs declaration shall constitute four hours in case of submitting all the necessary documents along with the customs declaration.
5. The Government of the Republic of Armenia may define a list of goods, for the temporary import whereof there may be prescribed a release time frame of up to one working day.



**Article 218. Restrictions on applying the customs procedure "Temporary import"**

1. Where non-tariff regulatory measures provided for by law are applied by other state bodies of the Republic of Armenia with respect to temporary import of goods, the temporary import of goods may not be permitted (or the validity period of the permission for temporary import may not be extended) for time periods longer than those envisaged for non-tariff regulatory measures.

**CHAPTER 35**

***CUSTOMS PROCEDURE "TEMPORARY EXPORT"***

**Article 219. Customs procedure "Temporary export"**

1. The essence of and conditions for customs procedure "Temporary export" shall be prescribed by Articles 285 and 286 of the Customs Code of the Union.

**Article 220. Time frames for customs procedure "Temporary export"**

1. The release of goods under customs procedure "Temporary export" shall be permitted for a period requested by the declarant, but not longer than one year. Moreover, where the period initially requested is less than one year, the superior customs authority may, upon the application of the declarant, extend that it for a period not extending one year from the day of export.

2. Upon the decision of the Government of the Republic of Armenia, the extension of the time frame for customs procedure "Temporary export" for a period of more than one year may be permitted for state needs, for scientific and research, educational, cultural purposes, for human and animal health protection, preservation of the environment, as well as for goods exported by selected organisations and individual entrepreneurs within the framework of investment programmes, including goods provided for financial lease and classified under CN FEA product codes 84-89. The procedure and time frames for the selection of organisations and individual entrepreneurs and extension of the time frames shall be defined by the Government of the Republic of Armenia.
3. The superior customs authority shall, within three working days, examine the application on extending the time frame for temporary export referred to in part 1 of this Article and shall inform the declarant of extending the time frame for temporary import.
4. The grounds for refusal must be indicated in the refusal of the superior customs authority to extend the time frame for temporary export. The superior customs authority shall notify the declarant in writing of the mentioned refusal.

***(Article 220 amended by HO-81-N of 16 May 2016)***

#### **Article 221. Temporary export of scientific or commercial samples**

1. Scientific or commercial samples that are temporarily exported from the Republic of Armenia outside the Union for undergoing tests, research, checks or being used during similar activities, shall be declared under the simplified procedure for customs declaration, in accordance with the provisions of this Article.

2. The scientific or commercial samples temporarily exported by the natural persons from the Republic of Armenia outside the Union as an accompanying luggage, as well as via postal deliveries, may, if the declarant wishes so, be declared under the simplified procedure, by way of submitting written application by the organisation sending the scientific or commercial samples as a customs declaration. The form of the application referred to in this part shall be defined by the superior customs authority.
3. The scientific or commercial samples shall be released under customs procedure "Temporary export" within four hours after submitting the documents necessary for the customs control.
4. For the purpose of exercising customs control, the Government of the Republic of Armenia may define a list of goods, the time frames for the release whereof may be up to one working day.

**Article 222. Restrictions on applying the customs procedure "Temporary export"**

1. Where non-tariff regulatory measures provided for by law are applied by other state bodies of the Republic of Armenia with respect to temporary export of goods, "Temporary export" of goods may not be permitted (or the time frame for the permission for temporary export may not be extended) for time periods longer than those envisaged for non-tariff regulatory measures.

## CHAPTER 36

### *CUSTOMS PROCEDURE "RE-IMPORT"*

**Article 223. Essence of customs procedure "Re-import" and conditions for clearance of goods thereunder**

1. Customs procedure "Re-import" shall be applied in accordance with Articles 292 and 293 of the Customs Code of the Union.

**Article 224. Procedure for extending the term of goods under customs procedure "Re-import"**

1. The time frame for re-import of goods approved by the decision of the Commission of the Union may exceed the time frame prescribed by the Customs Code of the Union for clearance under customs procedure "Re-import".

**Article 225. Payment of the amounts of taxes, additional fees and other amounts in case of clearance of goods under customs procedure "Re-import"**

1. During clearance of goods under customs procedure "Re-import", the compensation of taxes not paid and/or returned when exporting from the customs territory of the Union, interests calculated with respect thereto, additional fees or other amounts directly or indirectly received as a fee shall be made as prescribed by the tax legislation of the Republic of Armenia.

## CHAPTER 37

### *CUSTOMS PROCEDURE "RE-EXPORT"*

#### **Article 226. Customs procedure "Re-export"**

1. Customs procedure "Re-export" shall be applied in accordance with Articles 296 and 297 of the Customs Code of the Union.

#### **Article 227. Peculiarities of carriage of goods in case of customs procedure "Re-export"**

1. The export of goods declared under customs procedure "Re-export" from the territory of the Union shall be carried out under the customs control exercised during procedure "Customs transit", under the procedure and conditions prescribed by Chapter 32 of the Customs Code of the Union and Chapter 28 of this Law.

#### **Article 228. Return (offset) of the amounts of import customs duty, taxes**

1. In case the goods previously cleared under customs procedure "Release for domestic consumption" are cleared under customs procedure "Re-export" in accordance with sub-point 2 of Article 297 of the Customs Code of the Union, the paid amounts of import customs duty, taxes shall be returned (offset) as prescribed by Chapter 17 of this Law, where those goods were actually exported from the territory of the Union.

## CHAPTER 38

### *CUSTOMS PROCEDURE "DUTY-FREE TRADE"*

#### **Article 229. Customs procedure "Duty-free trade"**

1. Customs procedure "Duty-free trade" shall be applied in accordance with Articles 302 and 303 of the Customs Code of the Union.

#### **Article 230. Duty-free shops**

1. Requirements for facilities, equipment, location and conditions for the realisation of goods of duty free shops shall be prescribed by Article 48 of this Law.
2. The operator of a duty-free shop shall be obliged to maintain record-keeping of and submit reports on the goods, wherefore customs procedure "Duty-free trade" was applied pursuant to Article 26 of this Law.
3. In case of importing the goods bought from duty free shops of member states of the Union into the territory of the Republic of Armenia, where the full sizes and values thereof exceed the full sizes and values prescribed by the legislation of the Union for goods imported by a natural persons as an accompanying luggage, a passenger customs declaration shall be submitted in compliance with the legislation of the Union.

## CHAPTER 39

### *CUSTOMS PROCEDURE "DESTRUCTION"*

#### **Article 231. Customs procedure "Destruction"**

1. Customs procedure "Destruction" shall be applied for goods in accordance with Articles 307-309 of the Customs Code of the Union.

#### **Article 232. Destruction of goods**

1. The procedure for destruction of the goods shall be defined by the Government of the Republic of Armenia.

## CHAPTER 40

### *CUSTOMS PROCEDURE "ABANDONING IN FAVOUR OF THE STATE"*

#### **Article 233. Customs procedure "Abandoning in favour of the state"**

1. Customs procedure "Abandoning in favour of the state" shall be applied for goods in accordance with Articles 310 and 311 of the Customs Code of the Union.

## **Article 234. Procedure for declaring goods under customs procedure**

### **"Abandoning in favour of the state"**

1. Goods shall be declared under customs procedure "Abandoning in favour of the state" upon the permission of the customs authority.
2. For the purpose of obtaining a permission, the declarant shall apply to the customs authority in writing, by indicating in the application the name, quantity, value, location, CN FEA codes of goods and the brief summary of reasons for abandoning the goods in favour of the state.
3. The customs authority shall, within five working days, examine the application submitted and take a decision on granting a permission for clearance of goods under customs procedure "Abandoning in favour of the state" or in case of abandoning the goods included in the list approved by the decision of the Commission of the Union — on refusing to grant a permission.

## **Article 235. Disposal of goods declared under customs procedure**

### **"Abandoning in favour of the state"**

1. Abandoning goods in favour of the state must not entail costs for the state bodies of the Republic of Armenia, which cannot be compensated at the expense of the funds generated from the realisation of goods.
2. Goods, wherefore customs procedure "Abandoning in favour of the state" is applied, shall be transferred to the state administration body, which is authorised by the Government of the Republic of Armenia to organise the realisation, destruction or processing thereof.



**Article 236. Liability for applying customs procedure "Abandoning in favour of the state"**

1. The customs authorities shall not compensate for property-related claims of persons exercising powers with respect to the goods declared under customs procedure "Abandoning in favour of the state".

**CHAPTER 41**

***SPECIAL CUSTOMS PROCEDURE***

**Article 237. Special customs procedure**

1. Special customs procedure shall regulate the transportation of certain types of goods through the territory of the Republic of Armenia in accordance with the list and under the conditions defined by the legislation of the Union, without payment of the customs duty, taxes and application of prohibitions and restrictions, except for the cases prescribed by the legislation of the Union.

**Article 238. Submission of the customs declaration in case of establishing special customs procedure**

1. The cases of submission of a customs declaration and the attached documents when transporting goods of a certain type in accordance with the list defined by the legislation of the Union shall be prescribed by the legislation of the Union.

## SECTION VI

### PECIALIRITIES OF CUSTOMS FORMALITIES WITH RESPECT TO CERTAIN GOODS

#### CHAPTER 42

#### *PROTECTION OF INTELLECTUAL PROPERTY RIGHTS BY THE CUSTOMS AUTHORITIES*

#### **Article 239. Assistance of the customs authorities in the protection of intellectual property rights**

1. The customs authorities shall carry out the protection of intellectual property rights in accordance with Chapter 46 of the Customs Code of the Union.
2. The measures implemented by the customs authorities for the protection of intellectual property right shall apply for goods that contain objects of intellectual property and are included, upon the application of the right holder, in the customs registers of objects of intellectual property. The customs authorities shall have the right to implement measures for the protection of intellectual property right without submission by the right holder of the relevant application.
3. Pursuant to the law of the Republic of Armenia, the possessor of the right over an object of intellectual property, any other person legally entitled to use that object, as well as the legal successor or representative thereof (hereinafter referred to as "the right holder"), that have sufficient grounds to assume that

goods infringing intellectual property rights may be transported across the customs border of the Union, may submit an application to the superior customs authority (hereinafter referred to as "the application for suspension") requesting to register the object of intellectual property and suspend the release of such goods under any customs procedure.

4. The application for suspension shall contain the following:
  - (1) detailed description of the object of intellectual property (where possible, also a sample) so that it is identifiable for the customs authorities;
  - (2) list of types of goods that may incorporate an object of intellectual property registered;
  - (3) according to the types of goods referred to in point 2 of this part, forms of application of the registered object of intellectual property by the right holder or by other persons upon his or her consent (form of marking the specific type of goods with the trademark of the right holder, etc.);
  - (4) time period not exceeding two years, during which assistance from customs authorities is expected;
  - (5) obligation of the applicant to compensate the costs (costs of thorough inspection of cargo and of storage of the suspended goods in a temporary storage warehouse) incurred by customs authorities related to the suspension of the release of goods, as well as possible costs and losses incurred by the transporter or carrier of goods, unless it is further approved as a result of judicial or other settlement that the goods have been transported thereby across the customs border in violation of intellectual property rights of the applicant;
  - (6) obligation to ensure the fulfilment of his or her obligations referred to in point 5 of this part by providing the customs authority with a security in the

amount determined thereby or other equivalent bank guarantee within a period of three days after being informed of the suspension of the goods by the customs authorities upon his or her application;

- (7) name and location of the applicant.
5. Upon submitting the application referred to in part 3 of this Article, the right holder shall be obliged to:
    - (1) submit the documents enclosed to the application that certify his or her rights to the given object of intellectual property and payment of the state duty;
    - (2) provide customs authorities with case-related accessible information which will allow them to take a decision on the application. The provision of information must not be a precondition for accepting the application.
  6. The application referred to in part 3 of this Article may be of specific or general nature. A specific application shall be filed where the applicant is aware of impending transportation of certain infringing goods across the customs border of the Union or their placement in certain customs authority and expects one-time assistance from the customs authorities. Such applications must be submitted on the tenth day preceding the moment when assistance from the customs authorities is expected.

In other cases a general application shall be filed.

7. In case the application of the right holder is satisfied by the customs authorities, the latter shall provide assistance within the time frames requested in the application unless, in the meantime, the right holder has withdrawn the application or the rights of the right holder have been terminated, whereof the right holder shall be obliged to inform the customs authorities during the next day after becoming aware of the fact. The right holder shall be liable for the

measures taken by the customs authorities upon his or her application due to lack of information about the termination of the rights of the right holder.

8. A duty shall be charged in the manner prescribed by law in order for the application referred to in part 3 of this Article is accepted by the superior customs authority.
9. The application form referred to in point 3 of this Article and the procedure for submission and consideration thereof shall be defined by the superior customs authority.

**Article 240. Registration of an object of intellectual property in the superior customs authority, maintenance of a register and consideration of an application for suspension**

1. The superior customs authority shall maintain the register of objects of intellectual property.
2. Types of objects of intellectual property subject to entry into the register, the procedure for maintaining and publishing the register shall be defined by the superior customs authority.
3. After considering the application for suspension, the superior customs authority shall take a decision on satisfying the application or rejecting it within a period of seven days.

In case a decision on satisfying the application is taken, the superior customs authority shall, within the aforementioned period of seven days, enter the object of intellectual property in the register and publish the information thereon on its official website specifying also the period of time, during which the customs authorities must take relevant measures and inform applicant thereon. The mentioned period of time shall be calculated from the 20<sup>th</sup> day following the day

of publication of the information on the official website. Upon the substantiated application of the applicant, the period of time during which the customs authorities must take relevant measures, may be extended by the superior customs authority.

In case of rejecting the applications for suspension or extension of the period of time, the superior customs authority shall provide substantiated information thereon to the applicant in writing, which may be appealed through judicial procedure.

4. The superior customs authority shall suspend the process of moving forward with the application for suspension, making an entry in the register of objects of intellectual property, as well as taking relevant measures by superior customs authorities, where there is a litigation concerning confirmation of the lawfulness of the activity of the right holder or abolishment or invalidation of the rights of the right holder.

#### **Article 241. Procedure for compensating the costs related to the suspension of the release of goods**

1. The right holder shall be obliged, within a period of three days after receiving a notification on suspension of the release of goods, to ensure the compensation for the costs incurred by customs authorities in relation to the suspension of the release of goods by security or any other guarantee, as well as to ensure his or her obligation to compensate for the possible costs and losses of the transporter and the carrier of goods. This amount shall be determined by the official of the customs authority having taken the decision on suspending the release of goods and must be equal to five percents of the customs value of the suspended goods.
2. The compensation for the costs and losses provided for by this Article shall be made as prescribed by law.

#### **Article 242. Information provided by the customs authority**

1. Without violating the requirements of the legislation on state, official, commercial and any other secret protected by law, the customs authority shall be entitled to provide the right holder and the transporter of goods with information necessary for resolving the issue related to the protection of intellectual property right.
2. The right holder and the transporter of goods may not transfer the mentioned information to third persons, except for the cases provided for by law, and it must be used exclusively for the purposes it has been provided for.
3. Upon the permission of the customs authority and in the presence of the official thereof, the right holder and the transporter of goods shall have the right to take samples and test specimens from the goods, the release whereof has been suspended, and submit them to expert examination.

#### **Article 243. Revoking the decision on suspending the release**

1. The grounds for revoking the decision on suspending the release shall be prescribed by Article 332 of the Customs Code of the Union.
2. The decision on suspending the release of goods shall be subject to revocation, and the goods shall be subject to release as prescribed by this Law, unless within ten days after informing the right holder of the suspension of the release of goods, the customs authority having taken a decision on suspension is not informed that the case has been referred to the judicial authorities with a view to rendering another decision on the merits of the case and the court has taken a (provisional) measure to secure the action extending the suspension of release of goods. Upon the request of the applicant, where the latter proves that he or she has submitted a statement of claim to the court, but has not received a writ of

execution of the court yet, the customs authority may extend the primarily applied time frame for suspension for a period not exceeding ten days.

**Article 244. Suspending the release of objects of intellectual property not included in the register**

1. The customs authorities shall be entitled to suspend the release of goods transported in violation of the intellectual property right that are not included in registers.
2. When exercising the rights provided for by part 1 of this Article, the customs authorities shall be entitled to request relevant information from the right holder.
3. The release of goods shall be suspended in seven working days. The customs authority may extend the mentioned time frame for a period not extending ten days, where the right holder has submitted to the customs authority an application in writing for extending the time frame for suspension and has submitted to the superior customs authority an application for including the goods in the register of objects of intellectual property.
4. The right holder shall have the right to receive from the customs authority information on suspension of the release of goods, as well as take samples and test specimens therefrom.
5. The decision on suspending the release of goods may be revoked before the expiry of the time frame for suspension of the release of goods, where the information about the right holder, available with customs authorities, has not been confirmed, or the right holder or the representative thereof has applied to the customs authority requesting to revoke the decision on suspending the release of goods.



6. Where, prior to the expiry of the time frame for suspension of the release of goods, the right holder fails to carry out the actions provided for by part 3 of this Article or the superior customs authority fails to take a decision on detention or seizure of goods, the release of goods shall be carried out as prescribed by the customs legislation of the Union and this Law.
7. The provisions prescribed by this Article shall not be applied for the goods incorporating an object of intellectual property, wherefore the provisions of this Article have previously been applied.

**Article 245. Not bearing liability by the customs authorities**

1. Regardless of the fact whether an application has or has not been received pursuant to Article 239 of this Law, the customs authorities shall not bear liability for:
  - (1) any failure to reveal goods infringing intellectual property rights;
  - (2) taking and executing lawful decisions on suspending the release of goods referred to in point 1 of part 1 of this Article;
  - (3) release of goods incorporating objects of intellectual property that are not entered in the register referred to in Article 240 of this Law;
  - (4) release of goods in case the right holder fails to fulfil his or her obligations in accordance with this Section.

## CHAPTER 43

### ***PECULIARITIES OF TRANSPORTATION OF GOODS IN PIPELINES AND POWER LINES***

#### **Article 246. Installation of metering devices for goods transported in pipelines and power lines**

1. The superior customs authority, jointly with the state administration body of the Republic of Armenia authorised in the field of energy, shall determine the places of installation of metering devices for goods transported in pipelines and power lines across the border of the Republic of Armenia.
2. The superior customs authority, jointly with the state administration body of the Republic of Armenia authorised in the field of energy, shall monitor the meter readings of goods transported in pipelines and power lines by applying means of identification.
3. The superior customs authority, jointly with the state administration body of the Republic of Armenia authorised in the field of energy, may establish the procedure for determining the quantity of goods transported in power lines.

#### **Article 247. Peculiarities of declaration of goods transported in pipelines and power lines**

1. During the transportation of goods in pipelines and power lines across the border of the Republic of Armenia, the customs formalities shall be fulfilled in accordance with Chapter 47 of the Customs Code of the Union.

2. The Government of the Republic of Armenia may define the peculiarities of declaration of goods transported in pipelines and power lines across the border of the Republic of Armenia.

## CHAPTER 44

### ***CUSTOMS FORMALITIES OF TRANSPORTATION MEANS CARRYING OUT INTERNATIONAL CARRIAGE***

#### **Article 248. Transporting of transportation means carrying out international carriage, their spare parts and equipments, as well as resources through the border of the Republic of Armenia**

1. Customs formalities with regard to transporting of the transportation means carrying out international carriage, their spare parts and equipment through the border of the Republic of Armenia shall be carried out pursuant to Chapter 48 of the Customs Code of the Union.
2. Customs formalities with regard to transportation of the resources through the border of the Republic of Armenia shall be carried out pursuant to Chapter 5 of the Customs Code of the Union.

## CHAPTER 45

### ***TRANSPORTATION OF GOODS VIA INTERNATIONAL POSTAL DELIVERIES, TRANSPORTATION OF GOODS FOR PERSONAL USE BY NATURAL PERSONS AND FOREIGN INDIVIDUALS***

#### **Article 249. Transportation of goods via international postal deliveries and transportation of goods for personal use by natural persons**

1. Customs formalities with regard to transportation of goods via international postal deliveries through the border of the Republic of Armenia shall be carried out pursuant to Chapter 44 of the Customs Code of the Union and international treaties of the member states of the Union.
2. Customs formalities of the goods transported via international postal deliveries shall be carried out in places of international postal traffic or in other places established by the superior customs authority.
3. Customs formalities with regard to transportation of goods for personal use by natural persons through the border of the Republic of Armenia shall be carried out in accordance with Chapter 49 of the Customs Code of the Union and the international treaty of the member states of the Union as well as with the peculiarities provided for by this Law.
4. Single customs payments (except for customs fee) are paid for the goods imported into the territory of the Republic of Armenia via international postal or courier deliveries by natural persons from the states that are not members of the Union at the following uniform rates;

- (1) 0 percent, if the total weight of the goods transported within one month does not exceed 30 kilograms and the customs value thereof does not exceed AMD 200 000;
- (2) 22.5 percent, if the total weight of the goods imported into the Republic of Armenia within one month does not exceed 30 kilograms and the customs value thereof exceeds AMD 200 000, but does not exceed the AMD equivalent to 1000 Euros;
- (3) 30 percent, but not less than the rates prescribed by the relevant international treaty of the Union for each kilogram exceeding 30 kilograms, where the total weight of the goods imported into the Republic of Armenia within one month exceeds 30 kilograms, or where the customs value thereof exceeds the AMD equivalent to 1000 Euros.

The customs payments at the uniform rates prescribed by point 2 of this part shall be calculated against the positive difference of the customs value of the goods imported by natural persons and the customs value prescribed by point 1 of this part.

5. The customs duty rate prescribed by part 3 of Article 89 of this Law shall be applied to the goods exported from the territory of the Republic of Armenia by natural persons via international postal or courier deliveries.
6. Importation of goods, as prescribed by law, by natural persons who are not individual entrepreneurs shall be viewed as importation carried out for the purpose of entrepreneurial activities, where the limits (including for the member states of the Union and the states that are not members of the Union) of the goods imported into the Republic of Armenia by natural persons exceed the obviously commercial limits, defined by the Government of the Republic of Armenia, of the goods imported into the Republic of Armenia.

7. Where making customs payments at uniform rates is provided for the goods imported into the Republic of Armenia by natural persons via international postal or courier deliveries or as accompanying luggage, the payment thereof shall be made on the basis of the credit order issued by the customs authorities the form and the procedure for completion whereof shall be established by the superior customs authority.
8. Where payments of taxes for the goods imported into the Republic of Armenia as accompanying luggage is provided for in compliance with the laws on individual types of taxes, the payment of taxes shall be made on the basis of the tax declaration of import, as provided for by relevant laws.
9. The superior customs authority shall ensure the access for natural persons to the information on rules of transportation of goods, including by way of distributing leaflets drawn up in Armenian, Russian and foreign languages in transport and tourism organisations, as well as by placing information panels on the goods transported by natural persons in places of the performance of customs operations.
10. The amounts prescribed by parts 4 and 6 of this Article shall not include the property for personal use imported by persons arriving in the Republic of Armenia for permanent residence, the full size whereof shall be defined by the Government of the Republic of Armenia, as well as the items for personal use of natural persons imported into the Republic of Armenia.
11. Natural persons arriving in the Republic of Armenia for permanent residence, as well as forced displaced persons or refugees may import their property for personal use without making customs payments (except for customs fee).
12. The same person may enjoy the privilege provided for by part 11 of this Article once in five years.

13. Citizens of the Republic of Armenia, foreign citizens and stateless persons, who have continuously and permanently resided for at least five years outside the territory of the Republic of Armenia during the period preceding the day of arriving in for permanent residence shall be considered natural persons arriving in the Republic of Armenia for permanent residence, except for forced displaced persons and refugees wherefore the circumstance of continuous and permanent residency for at least five years outside the territory of the Republic of Armenia shall not be taken into account.
14. Within the meaning of this Law, the person, who has generally resided outside the territory of the Republic of Armenia for 184 and more days during each calendar year of the period under consideration, shall be considered a person having permanently resided outside the territory of the Republic of Armenia.
15. Within the meaning of this Law, the person, who has generally been in the territory of the Republic of Armenia for 181 and more days during each calendar year of the period under consideration, shall be considered a person having permanently resided in the territory of the Republic of Armenia.
16. The circumstance and the period of permanently residing outside the territory of the Republic of Armenia and in the territory of the Republic of Armenia shall be determined by the customs authority based on the information on the natural person having crossed the state border of the Republic of Armenia, which was officially provided to the customs authority by the authorised body of the Government of the Republic of Armenia.
17. The property for personal use of persons, including forced displaced persons or refugees, arriving in the Republic of Armenia for permanent residence may be imported for the purpose of permanent residence not later than within 18 months following the day of arriving in the Republic of Armenia.

18. The day of arriving in the Republic of Armenia for permanent residence for natural persons not registered in the Republic of Armenia shall be considered the day of registration in the Republic of Armenia during 180 days after arriving in the Republic of Armenia for permanent residence.
19. When arriving in the Republic of Armenia for permanent residence, the day of arriving in the Republic of Armenia for permanent residence for natural persons registered in the Republic of Armenia shall be considered the day of applying in writing to the customs authority during 180 days following the day of arriving in the Republic of Armenia for permanent residence.
20. The period preceding the day of arriving in the Republic of Armenia for permanent residence shall be the period preceding the given day and uninterrupted calendar days, months and years.
21. The period following the day of arriving in the Republic of Armenia for permanent residence shall be the period following the given day and uninterrupted calendar days, months and years.
22. The forced displaced persons or refugees may, irrespective of the circumstance of arriving in the Republic of Armenia for permanent residence, import their property for personal use into the Republic of Armenia with the privilege of customs duty where they submit the document confirming the relevant status, provided by the authorised body of the Government of the Republic of Armenia, to the customs authorities.
23. The procedure for checking the circumstance and the period of residence in the territory of the Republic of Armenia, as well as the procedure for application of privilege prescribed by this Article and the authorised bodies shall be defined by the Government of the Republic of Armenia.
24. Diplomats that serve in diplomatic service agencies of the Republic of Armenia operating in foreign states, and military, commercial and other attaches in



diplomatic service of the Republic of Armenia may, after completion of service, import their property for personal use without making customs payments (except for customs fee), except for the passenger cars and other motor vehicles classified under CN FEA headings 8702, 8703, 8704 21 and 8704 31.

The full size of property prescribed by this part shall be defined by the Government of the Republic of Armenia.

***(Article 249 supplemented by HO-81-N of 16 May 2016)***

**Article 250. Personal cars of resident natural persons of the member states of the Union in the territory of the Republic of Armenia**

1. The resident natural persons of the member states of the Union shall, when crossing the border of the Republic of Armenia by their personal cars, submit identification and car registration documents to the customs authorities, based whereon the customs authority shall register their entry into the territory of the Republic of Armenia in the automatic declaration system.
2. The personal cars of the resident natural persons of the member states of the Union may be in the territory of the Republic of Armenia within a period not exceeding the period prescribed by law for being in the Republic of Armenia of that natural persons.
3. The cars provided for by this Article may be used in the territory of the Republic of Armenia exclusively by the person importing the car, and the cars must be taken out from the Republic of Armenia at the time of his or her departure.
4. In case of violating the time frames prescribed by point 3 of this Article, the resident natural persons of the member states of the Union shall bear obligations that are prescribed by the legislation of the Union and the Republic of Armenia

for importing a car into the Republic of Armenia for the purpose of domestic consumption.

**Article 251. Transportation of the goods by foreign individuals**

1. The customs formalities with regard to transportation of the property belonging to diplomatic and consular representations of foreign states, international organisations, representations of foreign states affiliated with international organisations and the staff thereof, as well as foreign persons enjoying privileges in accordance with the international treaties of the Republic of Armenia through the border of the Republic of Armenia shall be carried out pursuant to Chapter 45 of the Customs Code of the Union.
2. Where the international treaties of the Republic of Armenia prescribe more privileged conditions than the conditions provided for by Chapter 45 of the Customs Code of the Union for transporting property belonging to foreign persons referred to in part 1 of this Article, the conditions prescribed by the international treaty of the Republic of Armenia shall be applied.
3. The privileges for transporting goods belonging to the persons referred to in part 1 of this Article shall be prescribed by the customs legislation of the Union and the international treaty of the member states.
4. In case of transportation of the goods belonging to the persons referred to in part 1 of this Article through the border of the Republic of Armenia, the customs declaration shall be made by submitting written application signed by the head of the given organisation or the person authorised thereby. The application shall be submitted in two copies and shall contain information on the name of the sender and the recipient of goods, location and description (weight, volume) thereof.
5. The following documents shall be attached to the application:

- (1) transportation (carriage) and commercial documents;
  - (2) documents confirming the observance of limitations.
6. The person transporting goods shall submit identification document, as well as a document, certifying the status of a person or a letter of authorisation, to the authorised body.

## CHAPTER 46

### ***SMUGGLING, PRELIMINARY INVESTIGATION, INQUEST AND OPERATIONAL INTELLIGENCE ACTIVITY OF CUSTOMS AUTHORITIES***

#### **Article 252. Smuggling**

1. Illegal transfer of cash monetary funds and/or payment instruments exceeding the amount equivalent to USD 10,000, raw goods of strategic significance or cultural values included in the list approved by the Government of the Republic of Armenia — on a large-scale prescribed by law, as well as, irrespective of the size, narcotic drugs, psychotropic substances and/or their precursors, drastic, toxic, explosive, radioactive substances, radiation sources, nuclear substances, firearm or components thereof, except for smoothbore hunting weapon and its cartridges, explosive devices, ammunition, weapon of mass destruction, transportation means thereof, other armament, military equipment, other substances or equipments used for creation of weapon of mass destruction or missile systems for their transfer, nuclear, chemical, biological or other weapons of mass destruction or goods of dual significance through the customs border of the Union or through the state border of the Republic of Armenia, which has

been committed without customs control or by concealing therefrom, or by not declaring the reliable information thereon in the manner prescribed or by declaring not under its name, or by violating the rules, including prohibitions and restrictions prescribed for transfer thereof or by using customs or other documents by deception shall be deemed as smuggling.

2. Smuggling as a criminally punishable act is provided for by the Criminal Code of the Republic of Armenia.

***(Article 252 edited by HO-81-N of 16 May 2016)***

**Article 253. Customs authorities as bodies conducting inquest and preliminary investigation**

1. Customs authorities shall be deemed bodies conducting inquest and preliminary investigation with regard to cases of smuggling and to those cases of crime provided for by the Criminal Procedure Code, the conduct of inquest and preliminary investigation whereon falls under power of the customs authorities.

**Article 254. Conduct of inquest and preliminary investigation by customs authorities**

1. In case there are elements of smuggling and other customs offences, the customs authorities of the Republic of Armenia shall conduct inquest and preliminary investigation. The customs authority shall institute a criminal case guided by the provisions of the criminal procedure legislation of the Republic of Armenia, conduct immediate investigative operations to trace and fix offences and detect offenders.

***(Article 254 amended by HO-81-N of 16 May 2016)***

#### **Article 255. Operational intelligence activities of customs authorities**

1. Customs authorities shall carry out operational intelligence activities in compliance with the laws and other legal acts of the Republic of Armenia.

#### **Article 256. Controlled supply of narcotics and drastic substances**

1. For the purpose of suppressing the trafficking of narcotics and drastic substances and discovering the persons involved therein, customs authorities shall, in any specific case, apply the method of “controlled supply”, pursuant to the arrangements with customs and other competent authorities of foreign states or in accordance with the international treaties of the Republic of Armenia, i.e. they shall authorise that narcotics and drastic substances in illicit circulation are imported into and exported out of the Republic of Armenia or transited across its territory under their control.
2. In cases a decision is made on application of the method of "controlled supply", criminal case shall not be instituted with regard to the person carrying out international trafficking of narcotics and drastic substances, and customs authorities shall immediately inform the Prosecutor General of the Republic of Armenia of the decision.
3. The method of “controlled supply” may also be applied with respect to goods that have served as means or an instrument for crime, have been obtained illegally and are subject to withdrawal in the cases prescribed by law.

**Article 257. Disposal of property and funds confiscated through application of the method of “controlled supply”**

1. Funds confiscated by the courts of the Republic of Armenia and of other states with regard to those cases of crime, at the time of discovery or prevention whereof the method of “controlled supply” has been applied, as well as funds generated as a result of realisation of the confiscated property, shall be allocated among those states, the customs and other competent authorities whereof have participated in the application of the method pursuant to the arrangements between the competent state authorities of the Republic of Armenia and competent government agencies of foreign states.

## SECTION VII

### FINAL PROVISIONS

#### CHAPTER 47

##### *TRANSITIONAL PROVISIONS*

###### **Article 258. Entry into force of the Law**

1. This Law shall enter into force from the day of entry into force of the Treaty on accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union of 29 May 2014 (hereinafter referred to as the “Contract”), except for the transitional provisions prescribed by Article 259 of the Law.
2. The Customs Code of the Republic of Armenia of 6 July 2000 shall be repealed from the day of entry into force of this Law, except for the provisions prescribed by Article 259 of this Law.

###### **Article 259. Transitional provisions**

1. This Law prescribes the following:
  - (1) provisions concerning the customs representatives, persons making storage in customs warehouses and founders of duty-free shops shall enter into force 18 months after the entry into force of this Law.

Prior to the entry into force of the provisions concerning customs representatives, the person carrying out the activities of a customs agent shall be obliged to have any type of the payment security of the customs duty and taxes prescribed by Article 106 of this Law, at least:

- a. in the amount of AMD 150 mln for the activities carried out from the moment of entry into force of this Law until 1 January 2016,
- b. in the amount of AMD 300 mln from 1 January 2016 until the end of the 18th month following the entry into force of this Law.

(2) the provisions concerning the customs carriers and authorised economic operators shall be enter into force after 6 months from the entry into force of this Law.

2. Chapters 7-9, Chapter 10 — with regard to the regulations other than the regulations prescribed by point 1 of part 1 of this Article, of the Customs Code of the Republic of Armenia of 6 July 2000 shall continue to be in effect for 18 months from the day of entry into force of this Law.
3. Chapters 11.1 and 11 of the Customs Code of the Republic of Armenia of 6 July 2000 shall continue to be in effect for 6 months from the day of entry into force of this Law.
4. Section 13 of the Customs Code of the Republic of Armenia of 6 July 2000 shall continue to be in effect until the entry into force of the Laws of the Republic of Armenia prescribing provisions on liability for infringement of the customs rules and the proceedings on cases of infringement of customs rules.
5. Prior to the entry into force of this Law, qualification certificates of the specialist in customs formalities issued by the customs authority shall continue to be in effect until the expiry thereof and shall be equalled to the qualification certificates of the specialist in customs formalities issued after the entry into force of this Law.



6. The legal acts of the Republic of Armenia on customs legislation adopted prior to the entry into force of this Law shall continue to be in effect for the part complying with and not contradicting the provisions prescribed by the Customs Code of the Union, other legal acts constituting legal and regulatory basis of the Union, this Law, as well as the Contract until recognising their repeal or bringing them into full compliance with the customs legislation of the Union.
7. Part 6.1 of Article 105 of the Customs Code of the Republic of Armenia of 6 July of 2000 shall continue to be in effect for the parts concerning the diplomats that serve in diplomatic service agencies of the Republic of Armenia operating in foreign states, and military, commercial and other attaches in diplomatic service of the Republic of Armenia until the start of the period of application of the rates prescribed by the common customs tariff of the Union for the passenger cars and motor vehicles classified under the CN FEA headings 8702, 8703, 8704 21 and 8704 31 by the Republic of Armenia pursuant to the Contract.
8. From the day of entry into force of the Contract, the provisions of the Treaty on the Eurasian Economic Union of 29 May 2014, separate provisions of other international treaties prescribed by Annex 1 of the Contract, as well as the provisions of this Law shall be in effect in compliance with the conditions and transitional provisions prescribed by Annex No 3 of the Contract and agreements on the application of the common customs tariffs prescribed by Annex No 4 of the Contract with regard to the goods.

**President  
of the Republic of Armenia**

**S. Sargsyan**

30 December 2014

Yerevan

HO-241-N