

LAW
OF THE REPUBLIC OF ARMENIA

Adopted on 25 October 2017

ON MAKING AN AMENDMENT AND A SUPPLEMENT TO THE TAX CODE
OF THE REPUBLIC OF ARMENIA

Article 1. Article 79 of the Tax Code of the Republic of Armenia of 4 October 2016 (hereinafter referred to as “the Tax Code”) shall read as follows:

“Article 79. Postponing the time limit for the payment of value added tax amount

1. The time limit for the payment of VAT amounts calculated for goods imported by organisations and individual entrepreneurs selected by the decision of the Government of the Republic of Armenia within the scope of investment programmes shall be postponed for a period of three years.

The procedure for selecting organisations and individual entrepreneurs shall be prescribed by the Government of the Republic of Armenia.

2. Within the meaning of part 1 of this Article, the beginning of the period for postponing the time limit for VAT payment shall be considered to be:

- (1) the date (day) of registration of the customs declaration by tax authorities — in the case of import of goods into the Republic of Armenia through the customs procedure “Release for domestic consumption”,
- (2) the date (day) of submission of the tax declaration of import, but not later than the twentieth day of the month following the month that includes the day on

which the goods in question were imported (crossed the state border of the Republic of Armenia) — in the case of import of goods having the status of EAEU product into the Republic of Armenia from EAEU member states.

3. VAT amounts the time limit for the payment of which has been postponed in accordance with part 1 of this Article shall be subject to payment to the State Budget prior to or on the day of the expiry of the postponed time limit.

4. The postponement of the time limit for the payment of VAT amounts (or a part thereof) the time limit for the payment of which has been postponed in accordance with part 1 of this Article shall be terminated (obligation for VAT payment shall arise) prior to the expiry of the time limit referred to in said part where the taxpayer submits to customs authorities (in the case of imports into the Republic of Armenia through the customs procedure “Release for domestic consumption”) or to tax authorities (in the case of import of goods having the status of EAEU product from EAEU member states) a written statement on early termination of the postponement of the time limit for the payment of VAT amounts (or a part thereof) in the form prescribed by the tax and/or customs authority. In cases prescribed by this part, the postponement of the time limit for the payment of VAT amounts (or a part thereof) shall be terminated (obligation for VAT payment shall arise) on the day following the day of submission of the statement, and the VAT amounts mentioned in the statement shall be subject to payment to the State Budget prior to or on the tenth day following the day of submission of the statement.

5. Where the taxpayers having availed themselves of the opportunity to postpone the time limit for the payment of VAT amounts calculated for the import of goods prescribed by this Article are liquidated or removed from the record-registration before the end of the time limit for the postponement, the VAT amounts the time limit for the payment of which has been postponed shall be subject to payment to the State Budget prior to the liquidation of the taxpayer or removal of the taxpayer from the record-registration.

6. In case the VAT amounts are not paid within the time limits prescribed by parts 3-5 of this Article, the calculation of the fines prescribed by Article 401 of the Code and control over those amounts with respect to goods imported into the Republic of Armenia through the customs procedure “Release for domestic consumption” shall be carried out by the customs authority, and with respect to the goods having the status of EAEU product imported from EAEU member states — by the tax authority.

The calculated VAT amounts and, in case they are not paid within the time limits prescribed, the fines calculated with respect to them shall be paid to the State Budget as amounts paid to the customs authority in the case of goods imported into the Republic of Armenia through the customs procedure “Release for domestic consumption”, or as amounts paid to the tax authority in the case of goods having the status of EAEU product imported from EAEU member states.

7. VAT amounts subject to payment to the State Budget pursuant to parts 3-5 of this Article shall be reflected in the unified calculation report of VAT and excise tax submitted to the tax authority for the reporting period when the liability arose, as amounts payable of the State Budget liability payable with respect to the imported goods; said amounts shall not be considered in the calculation of the sum total of the VAT liability for VAT-taxable transactions performed in the territory of the Republic of Armenia during the reporting period. The unified calculation reports of VAT and excise tax prescribed by this part shall be submitted irrespective of whether or not the taxpayers having availed themselves of the benefit of postponement at the time when the obligation for payment to the State Budget arose pursuant to parts 3-5 of this Article are deemed to be VAT payers.

8. VAT amounts paid to the State Budget pursuant to parts 3-5 of this Article shall be offset (reduced from the calculated liabilities) by VAT payers in the manner prescribed by the Code, as VAT amounts paid for imported goods, via the unified calculation report of VAT and excise tax submitted to the tax authority for the reporting period that includes the day of the payment thereof."

Article 2. Part 2 of Article 121 of the Code shall read as follows:

"2. Irrespective of the provisions of part 1 of this Article:

- (1) for the purpose of determining the tax base for resident profit taxpayers, as well as non-resident profit taxpayers carrying out activities in the Republic of Armenia through a permanent establishment, expenses in the amount of the original cost of fixed assets and intangible assets worth up to AMD 50 000 (inclusive) shall be fully deducted from the gross income during the tax year of acquisition of said fixed assets and intangible assets.
- (2) the minimum period of amortisation of imported or acquired (built, developed) fixed assets that are included in the list defined within the scope of investment programmes by organisations and individual entrepreneurs selected by the decision of the Government of the Republic of Armenia as prescribed by part 1 of Article 79 of the Code, as well as within the scope of the business plan approved by the Decision of the Government of the Republic of Armenia prescribed by part 1 of Article 127 of the Code, shall be defined at the discretion of the resident profit taxpayer, but shall not be less than one year."

Article 3. The word ", quartzites" shall be added after the word "travertines" in the tables of sup-points "a" and "b" of point 2 of part 1 of Article 207 of the Code.

Article 4. Part 5 shall be added in Article 457 of the Code which shall read as follows:

"5. As of the day of entry into force of the Code, for organisations, individual entrepreneurs and notaries not using cash register machines forwarding via network connection the information about the sum total of cash settlements made during

the day to the tax authority, the usage of such cash register machines shall be mandatory within the time limits prescribed by the Government of the Republic of Armenia, but not later, than until 1 January 2019."

Article 5. This Law shall enter into force from 1 January 2018.

Article 1 of this Law shall apply to the imports made after 1 January 2018.

Point 2 added in part 2 of Article 121 of the Code by Article 2 of this Law shall apply to the fixed assets imported or acquired (built, developed) after 1 January 2018.

**President
of the Republic of Armenia**

S. Sargsyan

13 November 2017,
Yerevan,
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