

LAW
OF THE REPUBLIC OF ARMENIA

Adopted on 1 March 2017

ON MAKING AMENDMENTS TO THE TAX CODE
OF THE REPUBLIC OF ARMENIA

Article 1. Point 3 of part 3 of Article 202 of the Tax Code of the Republic of Armenia of 4 October 2016 (hereinafter referred to as "the Code") shall be amended as follows with "a¹" and "a²" sub-points:

"a¹. within the meaning of royalty calculation, while determining the sales turnover of concentrate, the metals paid for specific types of concentrate shall be deemed to be:

- in case of copper concentrates — copper, gold, silver, as well as other metals paid pursuant to the contract on sale of the concentrate;
- in case of molybdenum — molybdenum, as well as other metals paid pursuant to the contract on sale of the concentrate;
- in case of zinc — zinc, gold, silver, as well as other metals paid pursuant to the contract on sale of the concentrate;
- in case of other concentrates — metals paid pursuant to the contract on sale of the concentrate;

a². within the meaning of royalty calculation, while determining the sales turnover of concentrate, the Government of the Republic of Armenia may prescribe:

- the maximum limits on the part (subject to deductions) not paid by the buyer for the paid metals. They shall be defined in the amount prescribed by the contract, if not being prescribed by the Government of the Republic of Armenia;
- the maximum limits on processing, refinement or similar costs (including transport) prescribed by the supply contract. The limits shall be published based on the data on processing and refinement costs of metal concentrates published by specialized international periodicals, including "Wood Mackenzie", "Metal Bulletin" or other international periodicals with similar reputation, by making reference to the relevant source. They shall be defined in the amount prescribed by the contract, if not being prescribed by the Government of the Republic of Armenia;"

Article 2. Sub-point "c" of point 3 of part 3 of Article 202 of the Code shall be amended as follows:

- "c. where based on the results of each month including the reporting period of the royalty, the royalty sales turnover is less by twenty or more percent than the sales turnover calculated based on the final content of metals subject to payment by this Code or under the supply contract and contained in the concentrate supplied during the same month and the global prices of the same metals for the given month, then the product of the final content of metals subject to payment by this Code or under the supply contract and contained in the supplied concentrate and 80 percent of the global average prices of the same metals for the given month shall be deemed to be the sales turnover for that month;"

Article 3. Part 7 of Article 202 of the Code shall be amended as follows:

"7. Within the meaning of application of this Law, the global average price of a metal shall be the monthly price published by the authorised body of the Republic of Armenia in the field of finances based on the data received from the London Metal Exchange, and in case no data are published on any metal by the indicated source — based on the data of other international source with similar reputation (also publishing the information on the source).".

Article 4. This Law shall enter into force from 1 January 2018.

**President
of the Republic of Armenia**

S. Sargsyan

27 March 2017

Yerevan

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