

LAW
OF THE REPUBLIC OF ARMENIA

Adopted by the National Assembly

On 24 March 2000

ON PRESUMPTIVE PAYMENTS FOR TOBACCO PRODUCTS

Article 1. Subject matter of the Law

1. This Law determines the uniform presumptive payments for value added tax, excise tax and customs duty on cigars, cigarillos and cigarettes (hereinafter referred to as “tobacco products”) imported into the Republic of Armenia, for value added tax and excise tax on tobacco products produced in the Republic of Armenia, and the procedure for calculation and payment thereof.

2. This Law does not apply to exports of tobacco products from the territory of the Republic of Armenia by persons producing-selling tobacco products in the Republic of Armenia.

Article 2. Presumptive payment payers

1. Within the meaning of this Law, natural and legal persons importing tobacco products into the Republic of Armenia and producing tobacco products in the Republic of Armenia shall be considered as presumptive payment payers (hereinafter referred to as “taxpayers”).

2. Citizens importing tobacco products shall be considered as taxpayers for the part exceeding 400 cigarettes or cigarillos and 10 cigars.

Article 3. Presumptive payment amount

1. Irrespective of their economic outcomes, taxpayers shall calculate and pay presumptive payments in the following amounts:

Product Code according to the Commodity Nomenclature of Foreign Economic Activities	Product Name	Presumptive payment amount (in AMD per 1000 items)	
		For imported products	For domestic products
2402 10 000 11	Cigars containing tobacco	550 000	300 000
2402 90 000 11	Other cigars		
2402 10 000 12	Cigarillos containing tobacco	15 000	11 000
2402 90 000 12	Other cigarillos		

2402 20 900 11	Filter cigarettes containing tobacco	6 500	4 750
2402 20 100 11	Filter cigarettes containing clove		
2402 90 000 13	Other filter cigarettes		
2402 20 900 12	Non-filter cigarettes containing tobacco	3 250	1 950
2402 20 100 12	Non-filter cigarettes containing clove		
2402 90 000 14	Other non-filter cigarettes		

(Table amended by HO-279 of 14 December 2001, edited by HO-87-N of 05 May 2005, amended by HO-81-N of 25 May 2006, HO-254-N of 26 December 2008)

2. The calculated value of VAT in the total presumptive payment for tobacco products imported into the Republic of Armenia shall be set at 15 %, and the calculated value of customs duty shall be set at 8.5 %.

3. The calculated value of VAT in the total presumptive payment for tobacco products produced in the Republic of Armenia shall be set at 20 %.

(Article 3 amended by HO-279 of 14 December 2001, edited by HO-87-N of 05 May 2005, amended by HO-81-N of 25 May 2006, HO-254-N of 26 December 2008)

Article 4. Accounting

1. Sales of tobacco products in the Republic of Armenia shall be exempt from value added tax.

2. The taxpayers shall:

(a) maintain separate accounting for the imports, production and sales of tobacco products;

(b) calculate and pay other taxes envisaged by legislation with regard to this type of activities, as well as taxes and other mandatory payments defined by legislation for other types of activities;

(c) offset the value added tax amounts, specified in tax invoices of other suppliers, received for the procurement of products and services used in the production of tobacco products produced by taxpayers in the Republic of Armenia against the presumptive payments calculated pursuant to Article 3(1) of this Law;

(d) be exempt from the obligation to provide the tax authority of their place of registration with the calculations on value added tax and excise tax with regard to the type of activities taxable under this Law.

3. Tax privileges prescribed by legislation in relation to the customs duty and/or value added tax and excise tax shall be suspended for the taxpayers in terms of the imports, production, and sales of tobacco products.

4. Taxpayers, as well as persons selling tobacco products in the territory of the Republic of Armenia that are not considered as taxpayers under this Law, shall not indicate the rate and amount of value added tax in the settlement documents invoiced for the purpose of selling the tobacco products imported into and produced in the Republic of Armenia. In case of separation of tax amount, value added

tax payable to the State Budget shall be calculated and paid according to the defined general procedure, irrespective of the payment of presumptive payments.

5. Persons selling tobacco products in the territory of the Republic of Armenia, that are not considered as taxpayers under this Law, shall add the amounts of value added tax paid for the goods used for the sales of tobacco products (material resources, fuel, labour and services, pertaining to the turnover costs) to the acquisition cost of products (turnover costs), in the amount equivalent to the share of tobacco products sales turnover within the total sales turnover.

Article 5. Payment of presumptive payments

1. Presumptive payments for tobacco products imported into the Republic of Armenia shall be paid within ten days following the day of imports, in the manner defined by the Government of the Republic of Armenia.

2. Presumptive payments for tobacco products produced in the Republic of Armenia shall be paid based on monthly outcomes, before the twenty-fifth day of the next month. Within this period, taxpayers shall submit the presumptive payment calculation to the tax authority of their place of registration, in accordance with the form defined by the Ministry of State Revenues of the Republic of Armenia.

3. (Part 3 repealed by HO-87-N of 05 May 2005)

(Article 5 amended by HO-87-N of 05 May 2005)

Article 6. Departmental regulatory acts on application of the Law

Departmental regulatory acts on the application of this Law shall be adopted by the Ministry of State Revenues of the Republic of Armenia in coordination with the Ministry of Finance and Economy of the Republic of Armenia.

Article 7. Liability for violation of the Law

Violations of this Law shall entail liability in the manner prescribed by legislation.

Article 8. Entry into force of the Law

This Law shall enter into force on 1 April 2000.

President of the Republic of Armenia

R. Kocharyan

Yerevan

31 March 2000

HO-40