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THE LAW OF THE REPUBLIC OF ARMENIA

275. ON CUSTOMS TARIFFS

Part I. GENERAL PRINCIPLES

Article 1. The Objectives and the Incidence of the Law

The present Law defines the principles of establishing and implementing the customs tariffs as well as the rules and regulations for levying the customs fees from goods and products that are either imported to or exported from the customizable territory of the Republic of Armenia.

The sphere of incidence of the present Law is the aggregate customizable terrain of the Republic of Armenia.

Article 2. The customs tariff of the Republic of Armenia

The Customs tariff in the Republic of Armenia is the system of those customs duties and fees which are exercised in respect of all goods and products that are either imported to or exported from the customizable territory of the Republic of Armenia.

The customs tariff in the Republic of Armenia is established on the basis of internationally acceptable standards and evolves in the direction of compliance with the principles and regulations of customs services distinguished by the international practice.

The customs tariff in the Republic of Armenia is established by the Government of the Republic of Armenia in conformation with the Regular Commission on Financial Credit and Budget Issues of the Supreme Council of the Republic of Armenia.

In case other customs regulations are stipulated by any international agreement of the Republic of Armenia differing from those defined by the present Law and other legislative enactments the rules and regulations that are defined by the international agreements are to be exercised.

Part II. CUSTOMS DUTIES AND THEIR TYPES

Article 3. Customs Duties in Accordance With the Nature of Activities

Depending upon the nature of goods and other products the following types of customs duties are to be implemented:

1. exportation duties: are levied for goods and other products exported from the customizable territory of the Republic of Armenia;
2. importation duties: are levied for goods and other products that are imported to the customizable territory of the Republic of Armenia;
3. Seasonal duties: are paid for either exporting from or importing to the customizable territory of the Republic of Armenia of certain types of goods and other products within a certain period of time.

The customs duties identified in the present Article are calculated in accordance with the customs tariff of the Republic of Armenia.

Article 4. Types of Customs Duties by the Methods of Estimation

Within the customizable territory of the Republic of Armenia the following types of customs duties are implemented depending on the methods of estimation:

1. ad valorem customs duty (by value): is estimated by the percentage proportion of the customs duty in respect of the customs value of the customizable goods and other products

2. specific customs duty: is calculated by a fixed tariff for the unit of measure of customizable goods and other products;

3. mixed customs duty: combines the methods of calculation for both ad valorem and specific customs duties.

Article 5. Customs Duties by the Tariff Structure

Within the customizable territory of the Republic of Armenia the following customs duties are implemented proceeding from the economic interests of the Republic and the customs tariff structure:

1. Special customs duties: are implemented as responsive steps against the discriminatory actions of individual enterprises, institutions, organisations, foreign governments or their unions towards the Republic of Armenia;

2. Antidumping customs duties: are implemented in case of either exporting from or importing goods or other products to the customizable territory of the Republic of Armenia with lower prices than that of similar or competing goods and products and in case the exportation or importation of these goods can hurt the interests of the Republic of Armenia.

3. Compensation customs duties: are implemented in respect of those goods or other products exported from the customizable territory of the Republic of Armenia for the production or exportation of which any financial assistance has been directly or indirectly used and in case the exportation of these goods can hurt the interests of the Republic of Armenia. The compensation customs duty must not exceed the amount of the financial assistance.

4. State treasury customs duty (financial): is implemented in case the goods and other products are taxed with the purpose of enhancing the state budget incomes.

5. Protective customs duty: is implemented in case of taxing goods and other products with the purpose of protecting the goods and other products of local manufacturers from the competition of foreign enterprises and organisations.
6. Encouraging customs duty: is implemented with the purpose of diminishing the tariffs and duties established in respect of goods and other products imported from certain countries.

7. Equalising customs duty: is implemented in case the taxation is done with the purpose of equalising the prices of imported and locally manufactured goods and other products.

8. Counteracting customs duty: is implemented in case of taxing the goods and other products of those foreign countries who are exercising exclusively high customs duties in respect of their goods and other products.

9. Statistical customs duty: is implemented with the purpose of estimating the product turnover of the Republic of Armenia.

Article 6. The Customs Value

The calculation of the customs duties of customable goods and other products can be done on the basis of the customs value of these goods and products, that is to say on the basis of the sum which either has been actually paid for them or is to be paid at the moment of passing the customs boundary of the Republic of Armenia.

The customs value includes an account: with the price indicated in the invoice as well as an account with the following actual expenses that are not included into the invoice:

1. the costs of transportation, loading, disloading, cross loading and insurance till the passing point at the customs boundary of the Republic of Armenia;
2. commission and middleman (brokerage) costs;
3. the payment for using intellectual (intangible) property in concern with the given goods and other products, and which is to be either directly or indirectly paid by the importer (exporter) as a condition for the importation (exportation).

The customs value is to be declared while transporting customable goods and other products across the customs border of the Republic of Armenia.

In case the owner of the goods and other products has indicated a not real value or price of goods or other products in the declaration, or in case it is impossible to determine or check the size of the customs value it is to be determined by the customs bodies in accordance with:

1. prices of similar goods and other products in the markets of the Republic of Armenia;
2. prices of similar or directly competing goods and other products in the markets of the Republic of Armenia;
3. the invoice of the given or other goods and other products
4. the minimum controlling prices for exporting or importing goods and other products which are determined by the Government of the Republic of
Article 7. The Calculation and Payment of Customs duties

The calculation of the customs duties by the customs bodies of the Republic of Armenia is accomplished in accordance with the customs tariff that is valid on the date of presentation of the declaration.

The order of calculation and payment of the customs duty is determined by the Government of the Republic of Armenia.

The customs duty is paid into the state budget of the Republic of Armenia.

Part III. THE WAIVING OF CUSTOMS DUTIES AND CUSTOMS DUTY PRIVILEGES

Article 8. The waiving of customs duty

The following entities are waived from paying the customs duties:
1. the fixed assets stipulated by the statutory funds of joint ventures, foreign and belonging to foreign citizens enterprises;
2. transit goods passing across the territory of the Republic of Armenia
3. transportation vehicles which are regularly involved in transportation of loads, cargoes and passengers by inter-governmental agreements, as well as those tools, fuel, food products and other goods which can be necessary on the road, at half way stops or for the repair of the indicated transportation vehicles
4. foreign currency and securities
5. those goods and other products that are entering the customs terrain of the Republic of Armenia as humanitarian aid and are correspondingly identified with proper documentation and are either exported or provisionally exported from or imported to this terrain
6. the following goods and other products that are provisionally entering the customs terrain of the Republic of Armenia and are exported from this terrain, or are provisionally exported or imported without any processing or reprocessing:
   a) goods and other products stipulated for not commercial exhibitions, fairs or similar events
   b) professional equipment of mass media, television, cinematography, science, culture, health care system employees as well as sportsmen;
   c) product samples and containers
d) goods stipulated for the needs of education, science, culture (books, magazines, newspapers, musical instruments, theatrical and sports equipment, religious assets) and other products;

e) personal assets of passengers

f) advertising material on tourism and sports

g) animals

7. prosthesis for disabled people, items for facilitating the life and assisting the disabled people, spare and completing parts to these equipment;

8. Goods and other products that are imported to the Republic of Armenia to the not customizable shops or customs warehouses situated within the customs terrain of the Republic but to be exported subsequently out of the customs terrain of the Republic of Armenia.

9. In other cases stipulated by international agreements

   The order and conditions for waiving the customs duty payment are determined by the Government of the Republic of Armenia with conformation of the Regular Commission on Financial Credit and Budget Issues of the Supreme Council of the Republic of Armenia.

**Article 9. The Decrease of the Customs Duty Rate**

While importing to the customizable terrain of the Republic of Armenia and exporting from this terrain it is permitted to decrease the customs duty for the following goods and other products:

1) that have formerly imported to or exported from and have been repaired within the customizable terrain of the Republic of Armenia,

2) have been damaged prior to passing the customs border of the Republic of Armenia but are still consumable;

3) in other cases defined by the legislation of the Republic of Armenia.

**Article 10. Levying the Customs Duties While Passing the Boundaries of the Customs Free Zones**

The following entities can be waived of customs duties or levied with decrease customs rates:

1. the goods and other products that are imported to the customs free terrain of the Republic of Armenia for final consumption;

2. the goods and other products that are exported for the consumption outside the customizable terrain of the Republic of Armenia from the customs free terrain of the Republic of Armenia or produced in this terrain.
3. the goods and products originating from the customs free terrain of the Republic of Armenia while importing to the customizable terrain of the Republic of Armenia

4. the goods and other products originating from the customs free terrain that are exported via the customs free terrain of the Republic of Armenia outside the customizable terrain of the Republic of Armenia.

The order of giving the customs privileges indicated in the present Article is defined by the Government of the Republic of Armenia in conformance with the Regular Commission on Financial Credit and Budget Issues of the Supreme Council of the Republic of Armenia.

**Article 11. Levying and Reimbursement of Customs Duties, Taxation with Customs Duties and the Responsibility for Default in Paying the Customs Duties.**

The excessively levied customs duties are to be reimbursed within one year starting from the date of recording the customs duty by the demand of the owner of the goods and products.

By the demand of the owner and by the decision of the Chairman of the Customs Board of the Republic of Armenia or the Court the unjustified charge of customs duties for goods and other products is to be reimbursed within one year starting from the date of recording the customs duty.

The sums of the customs duty not fully levied in the result of default payment are to be unreservedly levied by the Customs bodies of the Republic of Armenia within the terms permitting a prolongation or deferred payment of the customs duty.

The sum of the customs duty not paid by the fault of the owner of the goods and other products is to be levied by the Customs bodies within one year starting from the date of recording the customs duty.

In case of prolongation of the customs duty payment within the determined terms for each overdue day the payer is to be levied a penalty in the amount of 0.5% of the bulk sum of not timely paid customs duty, in case no other rule is stipulated by the Law of the Republic of Armenia.

President of the Republic of Armenia

L. TER-PETROSSIAN

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