

THE LAW OF THE REPUBLIC OF ARMENIA
“On Fixed Payments for Tobacco Products.”

Adopted by the National Assembly on March 24, 2000

With amendments to the Laws of RA

05.05.2005, 25.05.2006 , 17.06.2006, 30.12.2008 (Last amendments)

Article 1. Object Regulated by This Law

1. This Law determines single fixed payments of VAT, excise tax and customs duty on cigars, cigarillos and cigarettes (hereinafter - tobacco products) imported to the Republic of Armenia, and of VAT and excise tax on tobacco products produced in the Republic of Armenia, procedure of their calculation and payment.

2. This Law shall not apply to the tobacco products exported from the territory of the Republic of Armenia by persons producing and selling tobacco products in the Republic of Armenia.

Article 2. Payers

1. In terms of this Law, legal persons and individuals importing tobacco products to the Republic of Armenia and producing tobacco products in the Republic of Armenia shall be considered as presumptive taxpayers (hereinafter - taxpayers).

2. Citizens importing tobacco products shall be considered as taxpayers in terms of the part of products exceeding 400 pieces of cigarettes and 10 pieces of cigars.

Article 3. Rates

1. Irrespective of the results of economic activities, taxpayers shall calculate and pay fixed payments at the following rates:

imported cigarettes with filter - 6500 AMD per 1000 sticks,
locally produced cigarettes with filters - 4750 AMD per 1000 sticks,
imported cigarettes without filter - 3250 AMD per 1000 sticks,
locally produced cigarettes without filter 1950 AMD per 1000 sticks,
imported cigars - 550000 AMD per 1000 sticks ,
locally produced cigar - 300000 AMD per 1000 sticks,
imported cigarillos - 15000 AMD per 1000 sticks,
locally produced cigarillos' - 11000 AMD per 1000 sticks,

2. The ratio for calculation of VAT in the total amount of fixed payments on tobacco products imported to RA shall be 15 percent, and the ratio for calculation of customs duty shall be 8.5 percent.

Taxation of Tobacco Products

3. The ratio for calculation of VAT in the total amount of fixed payments on tobacco products produced in the Republic of Armenia shall be 20 percent.

Article 4. Accounting

1. The sale of tobacco products in the Republic of Armenia shall be exempt from VAT.

2. The taxpayers:

a) shall keep separate accounting records for the import, production and sale of tobacco products;

b) shall calculate and pay other taxes determined by the legislation for this part of activities, and for other types of activities - taxes and other obligatory payments determined by the legislation;

c) shall credit the amounts of VAT indicated in tax invoices of other suppliers submitted for goods and services received in the line of tobacco products produced by taxpayers in the Republic of Armenia - from presumptive tax accrued in accordance with clause 1 of Article 3 of this Law;

d) shall be exempt from the obligation of submitting reports on VAT and excise tax to the tax bodies of their registration area - in the part of activity subject to taxation by this Law.

3. The tax privileges determined by the legislation on customs duty and/or VAT and excise tax shall be terminated for taxpayers in the part of import, production and sale of tobacco products.

4. Taxpayers, as well as persons not considered as taxpayers according to this Law, that are selling tobacco products in the territory of the Republic of Armenia, shall not book in accounting records the rate and the amount of VAT written out for the sale of tobacco products imported to or produced in the Republic of Armenia. When separating the tax amount, the VAT to be paid to the state budget shall be calculated and paid according to the general procedure, irrespective of the payment of presumptive tax.

5. Persons not considered as taxpayers according to this Law that are selling tobacco products in the territory of the Republic of Armenia, shall add the amounts of VAT paid for the sale of goods (material resources, fuel, works and services booked to cost of sales) to the purchase cost of goods (cost of sales) amounting to the share of the tobacco products sales turnover in the total sales turnover.

Article 5. Payment

1. The fixed payments on tobacco products imported to the Republic of Armenia shall be paid within ten days from the day of the import according to the procedure established by the Government of the Republic of Armenia.

2. The fixed payments on tobacco products produced in the Republic of Armenia shall be paid by the results of each month - till the 25th day of the following month. Within that period the taxpayers shall submit the fixed payments calculations to the tax bodies of their registration area in accordance with the form established by the Ministry of State Revenue of the Republic of Armenia.

Article 6. Administrative Normative Acts on Application of this Law The administrative normative acts on application of this Law shall be adopted by the Ministry of State Revenue of the Republic of Armenia in coordination with the Ministry of Finance and Economy of the Republic of Armenia.

Article 7. Responsibility for Violation of this Law

The violation of this Law shall lead to responsibility in accordance with the procedure established by the legislation.

Article 8. Entry of this Law into Force

Taxation of Tobacco Products

This Law shall enter into force from April 1, 2000.
Yerevan March 31, 2000 Law of RA