

**THE LAW OF THE REPUBLIC OF ARMENIA  
ON PRESUMPTIVE TAX FOR TOBACCO PRODUCTS**

**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.** Presumptive Tax 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.** Presumptive Tax Rates

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

<i>Code of products as per Trade Nomenclature of External Economic Activity</i>	<i>Name of Product</i>	<i>Presumptive tax rate (in drams per 1000 ea in USD equivalence)</i>	
		<i>For imported products</i>	<i>For products pro- duced in RA</i>
<i>240210001</i>	<i>Cigars</i>	<i>3000</i>	<i>2200</i>
<i>240210009</i>	<i>Cigarillos</i>	<i>30</i>	<i>22</i>
<i>2402 20 900</i>	<i>Cigarettes with filter</i>	<i>11</i>	<i>8</i>
<i>240220910</i>	<i>Cigarettes without filter</i>	<i>6.0</i>	<i>3.5</i>

**(with amendments to the Law of RA N279)**

2. The ratio for calculation of VAT in the total amount of presumptive tax on tobacco products imported to RA shall be 15 percent, and the ratio for calculation of customs duty shall be 8.5 percent.
3. The ratio for calculation of VAT in the total amount of presumptive tax 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. Presumptive Tax Payment**

1. The presumptive tax 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 presumptive tax on tobacco products produced in the Republic of Armenia shall be paid by the results of each month - till the 25<sup>th</sup> day of the following month. Within that period the taxpayers shall submit the presumptive tax 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.
3. The presumptive tax shall be paid in Armenian drams equivalent to USD by the rate determined by the Central Bank of the Republic of Armenia on the day of payment for tobacco products imported to the Republic of Armenia; and for the tobacco products produced in the Republic of Armenia - by the average rate of Armenian dram to USD fixed within the reporting month by the Central Bank of the Republic of Armenia and presented to the Ministry of State Revenue of the Republic of Armenia till the 15<sup>th</sup> day of the month following the reporting one.

Unofficial edition

**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**

This Law shall enter into force from April 1, 2000.

Yerevan March 31, 2000 Law of RA