

L A W
OF THE REPUBLIC OF ARMENIA

Adopted on 25 December 2003

ON PRESUMPTIVE PAYMENTS FOR PETROL AND DIESEL OIL

Article 1. Presumptive payment

This Law determines the uniform presumptive payments for value added tax and excise tax for petrol and diesel oil imported into the Republic of Armenia, the presumptive payments substituting profit tax (income tax) for petrol and diesel oil sold by direct importers, the procedure for their calculation and payment, as well as the liability for violating the requirements of this Law.

This Law does not regulate the relationships pertaining to the calculation and payment of presumptive payments for types of activities deemed as taxable objects pursuant to the Law of the Republic of Armenia “On presumptive payments”.

Article 2. Presumptive payment payers

Within the meaning of this Law, legal persons (including representations and branches of foreign legal persons registered in the Republic of Armenia in a defined manner) and individual entrepreneurs importing petrol and diesel oil into the Republic of Armenia shall be considered as presumptive payment payers (hereinafter referred to as “taxpayers”).

Article 3. Suspension of tax privileges

Tax privileges prescribed by the legislation of the Republic of Armenia in relation to the value added tax and profit tax (income tax) shall be suspended for the taxpayers, in terms of the activities envisaged by this Law; deductions from the said types of taxes and thresholds taken as a basis for being deemed as a taxpayer shall not be considered as well.

Article 4. Presumptive payment amount

1. Irrespective of the economic outcomes of taxpayers and of the customs value, the presumptive payment amount for each imported tonne shall be set at:

- AMD 112 000 for petrol;
- AMD 32 500 for diesel oil.

2. Irrespective of the economic outcomes of taxpayers, a monthly amount of presumptive payment substituting profit tax (income tax) shall be set at:

- for petrol, one per cent of the revenue received from the sales of petrol in a given month (calculated by accrual method), but not less than AMD 2 500 per each sold tonne, and

- for diesel oil, one per cent of the revenue received from the sales of diesel oil in a given month (calculated by accrual method), but not less than AMD 1 500 per each sold tonne.

(Article 4 amended by HO-86-N of 4 May 2005)

Article 5. Payment of presumptive payments

1. Presumptive payment shall be paid in Armenian drams, in the manner defined by the Government of the Republic of Armenia, within ten days following the imports.

(Paragraph 2 repealed by HO-86-N of 4 May 2005)

2. Presumptive payment substituting profit tax (income tax) shall be paid for each month, on or before the twenty-fifth day of the month following the given month.

Presumptive payment substituting profit tax (income tax) shall be calculated based on the average exchange rate, defined by the Central Bank of the Republic of Armenia, of the Armenian dram against the US dollar during the reporting month.

(Article 5 amended by HO-86-N of 4 May 2005)

Article 6. Accounting and payment of taxes

1. Pursuant to this Law, the taxpayers shall:

(a) maintain separate accounting for the imports and sales of petrol and diesel oil;

(b) pay taxes, duties, and other mandatory payments envisaged by law for other types of activities, in the manner defined by the legislation of the Republic of Armenia;

(c) submit to the tax inspectorate of their place of registration a monthly calculation of the presumptive payment substituting profit tax (income tax) in regard to the sales of petrol and diesel oil, on or before the twenty-fifth day of the month following the given month. The calculation form and the manner for filling it in shall be defined by the State Tax Service adjunct to the Government of the Republic of Armenia.

2. Sales of petrol and diesel oil imported into the Republic of Armenia shall be exempt from value added tax.

3. In case of acquiring petrol or diesel oil for production and other commercial purposes (except for the sales), persons deemed as VAT payers may, in a defined manner, set-off 16.67 per cent of the amount (of the acquisition price of petrol or diesel oil) mentioned in the settlement document invoiced by the supplier, against the VAT amounts calculated on the basis of the outcomes of the reporting period.

4. The taxpayers shall, upon the request of those acquiring petrol or diesel oil for production and other commercial purposes, draw settlement documents. In case of drawing a settlement document without supplying petrol or diesel oil, settlement documents shall be treated as tax accounts, and rules for

liability defined by law for drawing settlement documents or making set-offs without supply of goods and provision of services shall apply for drawing them or making set-offs.

Article 7. Departmental regulatory acts on application of the Law

Departmental regulatory acts on the application of this Law shall, in a defined manner, be adopted by the State Tax Service adjunct to the Government of the Republic of Armenia; and, for the imports of petrol and diesel oil, also by the State Customs Committee adjunct to the Government of the Republic of Armenia in coordination with the Ministry of Finance and Economy of the Republic of Armenia.

Article 8. Control over levy

Control over levy (payment) of presumptive payments, with regard to the imports of petrol and diesel oil defined in this Law, shall, in the manner defined by the legislation of the Republic of Armenia, be carried out by the State Customs Committee adjunct to the Government of the Republic of Armenia; and, with regard to the sales of petrol and diesel oil, by the State Tax Service adjunct to the Government of the Republic of Armenia.

Article 9. Liability for violation of the Law

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

2. For concealing or understatement of a presumptive payment to be paid to the budget by the taxpayers, the amount of the concealed or understated presumptive payment, as well as a fine equal to one hundred per cent of such amount, shall be levied from the taxpayers.

The amount of the concealed or understated presumptive payment, as well as the fine, shall be paid to the budget within a ten-day period following the recording by a tax authority of the fact of violation.

Article 10. Entry into force of the Law

1. This Law shall enter into force from 1 January 2004.

2. Upon the entry into force of this Law, the Law of the Republic of Armenia “On presumptive payments for diesel oil and petrol imported into the Republic of Armenia” HO-175 of 27 December 1997 shall be repealed.

**President
of the Republic of Armenia**

Yerevan

29 December 2003

HO-67-N

R. Kocharyan