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RESOLUTION OF THE GOVERNMENT OF THE REPUBLIC OF ARMENIA

136 of 13/02/02

ON HUMANITARIAN ASSISTANCE AND CHARITY PROGRAMS

040.0136.130202

I hereby ratify this
President of the Republic of Armenia
Robert Kocharian
February 13, 2002

RESOLUTION OF THE GOVERNMENT OF THE REPUBLIC OF ARMENIA
136 OF 13 FEBRUARY, 2002

ON HUMANITARIAN ASSISTANCE AND CHARITY PROGRAMS

With the purpose of ensuring the efficiency of humanitarian assistance and charity programs and improving the process of classification thereof as such, the government of the Republic of Armenia resolves:

1. To determine that:

a) The free provision of goods, services and works by other states, international intergovernmental (interstate) organizations, international, foreign and Armenian non-commercial organizations, as well as natural persons may be classified as:

humanitarian assistance, provided it is aiming at the immediate satisfaction of people's physical and spiritual needs, particularly at improving the conditions of their nutrition, health, education, residence or welfare, the development of their work skills and capacity;

charity (same as technical assistance), provided it is addressed for health, social, academic, educational, citizen upbringing, cultural, athletic, environmental organizations and other organizations of a similar nature, as well as to the Republic of Armenia and the communities of the Republic of Armenia.

b) Individual transactions as well as a cluster of transactions addressing a particular circle of beneficiaries that are particularly isolated and are similar to each other (hereinafter referred to as a "program") shall be subject to classification as humanitarian assistance or charity.

c) The tax, duty and presumptive tax privileges of a particular program of humanitarian assistance or charity (hereinafter referred to as "programs" or a "program"), (unless the

former or the qualification of a program as humanitarian assistance or charity are immediately defined by the laws of the Republic of Armenia and the international agreements of the Republic of Armenia), provided the law stipulates the granting of such privileges, shall be granted on the basis of the qualification thereof as humanitarian assistance or charity programs, and they shall be subject to such qualification pursuant to a procedure stipulated by this regulation.

d) In accord with the work plans of the government of the Republic of Armenia and in the event of humanitarian assistance or charity programs of essential public significance the government of the Republic of Armenia, in conformity with the law of the Republic of Armenia on the National Budget, may act as a co-financer, implementing the co-financing in a procedure stipulated by the law. Procedure and within the time-frames stipulated by this regulation.

e) Proposals with respect to co-financing of humanitarian assistance or charity programs shall be submitted to the government of the Republic of Armenia in a stipulated procedure.

f) Proposals on refunds of the amount of the value added tax within the framework of programs which have been qualified as humanitarian assistance or charity prior to January 1, 2002 and are still underway, shall be submitted and discussed in a procedure stipulated by this regulation.

g) In the event when the qualification of a program as humanitarian assistance or charity is terminated in a procedure stipulated by this regulation, the part of the amount of co-financing by the government of the Republic of Armenia, which is identified in the resolution terminating such qualification, shall be remitted to the National budget of the Republic of Armenia by the person implementing the program.

2. The powers of the authorized body of the government of the Republic of Armenia on coordination of humanitarian assistance, as well as the powers of the authorized body of the government of the Republic of Armenia, which is envisaged by Clause 15, Article 11 of the Law of the Republic of Armenia "on the National Budget of the Republic of Armenia of the year 2002," shall be reserved to the central commission on humanitarian assistance of the government of the Republic of Armenia.

3. To endorse:

a) The bylaws of the central commission on humanitarian assistance of the government of the Republic of Armenia (attached).

b) The regulation for the qualification of humanitarian assistance and charity programs as such (attached).

c) The regulation for the compensation of the amounts of the value added tax subject to payment within the framework of humanitarian assistance or charity programs (attached).

4. The ministries and departments of the Republic of Armenia, the regional governors of the Republic of Armenia and the mayor of Yerevan shall forward information (unless such information has been issued by the central commission on humanitarian assistance of the government of the Republic of Armenia) pertaining to humanitarian assistance and charity programs implemented in conformity with the laws of the Republic of Armenia, the international agreements of the Republic of Armenia, the resolutions of the government of the Republic of Armenia and of the central commission on humanitarian assistance of the government of the Republic of Armenia, to progress in the implementation and to transactions in the framework thereof to the central commission on humanitarian assistance of the government of the Republic of Armenia, within a period of two weeks following the receipt of such information.

5. The central commission on humanitarian assistance of the government of the Republic of Armenia is hereby instructed to submit to the Prime Minister of the Republic of Armenia quarterly summaries on the course of implementation of humanitarian assistance and charity programs by the last working day of the month following each quarter.

6. Clauses 1 through 5 inclusive of the Resolution of the government of the Republic of Armenia # 573 of June 28, 2001, "On humanitarian assistance and charity programs and the procedure of qualification thereof as such" shall hereby become null and void.

Endorsed by Resolution
of the government of RA
136 of 13 February, 2002

BYLAWS OF THE CENTRAL COMMISSION ON HUMANITARIAN ASSISTANCE OF THE GOVERNMENT OF THE REPUBLIC OF ARMENIA

1. GENERAL PROVISIONS

1. These bylaws shall define the procedure for the organization and operation of the central commission on humanitarian assistance of the government of the Republic of Armenia (hereinafter referred to as the "commission").
2. The commission shall be governed in its operation by the legislation of the Republic of Armenia and by these bylaws.
3. The commission shall comprise its chairman, a deputy chairman, a secretary and the members.

The composition of the commission may include representatives from the state bodies of the Republic of Armenia, other organizations as well as from foreign organizations implementing humanitarian assistance and charity in the Republic of Armenia, individual benefactors.

The individual composition of the commission shall be approved by the Prime Minister of the Republic of Armenia.
4. Expenses pertaining to the operation of the commission shall be financed by the funds of the National budget of the Republic of Armenia, through the staff of the government of the Republic of Armenia.
5. The members of the commission shall perform their duties without remuneration.
6. The commission shall have a round rubber stamp and a letterhead in its name.
7. The functions of the commission shall be performed by the Lending, grants and humanitarian assistance programs directorate of the Staff of the government of the Republic of Armenia, the director of which shall, ex officio, be the deputy chairman of the commission.
8. The commission shall be accountable for its operation before the government of the Republic of Armenia.

2. THE PURPOSE AND FUNCTIONS OF THE COMMISSION

9. The purpose of the commission shall be to coordinate humanitarian assistance and charity operations in the Republic of Armenia.

10. The following shall constitute the functions of the commission:

- a) qualification of programs as humanitarian assistance or charity;
- b) termination of the qualification of a program as humanitarian assistance or charity and, if such qualification originates in a legal act other than a resolution of the commission, submission of a petition to terminate such qualification to the body that had initially adopted the legal act in question;
- c) oversight over the implementation of humanitarian assistance or charity programs, receipt of quarterly reports on their progress and summary reports upon their completion;
- d) maintenance of an administrative registry based on the information on humanitarian assistance or charity programs;
- e) consideration of and action upon applications on refunding the amounts of the value added tax within the framework of humanitarian assistance or charity programs subject to be refunded pursuant to Clause 15, Article 11 of the Law of the Republic of Armenia "on the National Budget of the Republic of Armenia of the year 2002;"
- f) study of the practice of implementation of humanitarian assistance or charity programs, taking of measures to increase the efficiency thereof, including submission of petitions to relevant public bodies seeking the taking of the necessary measures;
- g) discussion of summary reports on the implementation of humanitarian assistance or charity programs and confirmation of program implementation;
- h) organization and/or implementation of recording and distribution of goods received in the name of the Republic of Armenia as humanitarian assistance or charity, in conformity with the powers stipulated by the resolution of the government of the Republic of Armenia pertaining to the disposition of the goods in question;
- i) ensuring transparency in the area of humanitarian assistance or charity;
- j) implementation of other functions envisaged by the legislation of the Republic of Armenia.

11. The commission shall cooperate in its operation with state bodies of the Republic of Armenia, as well as with the organizations implementing humanitarian assistance or charity programs.

With the purpose of implementing its functions the commission shall be entitled to command and receive from state bodies and bodies of local self-governance of the

Republic of Armenia, as well as organizations the information, analytical and other documents necessary for its operation.

12. The commission may convene conference meetings with the purpose of discussing the work performed by the commission as well as of issues pertaining to humanitarian assistance or charity programs implemented in the Republic of Armenia.

3. ORGANIZATION OF THE OPERATION OF THE COMMISSSION

13. The commission, within the framework of its powers, shall organize and implement its operation through meetings, decision-making by polling procedure, the chairman, the deputy chairman of the commission, the secretary of the commission, the staff of the commission, as well as through the working groups set up by itself with the purpose of resolving particular issues.

A working group of the commission shall implement its operation pursuant to a work order and schedule approved by the commission.

The commission may involve in its work the employees and specialists of state bodies of the Republic of Armenia.

14. The meetings of the commission shall be convened as necessary, at least once every month.

Non-members of the commission may participate in its meetings in advisory capacity upon the invitation of the chairman of the commission or by the resolution of the commission.

15. The quorum for the validity of the meetings of the commission shall comprise at least two thirds of the members of the commission. The resolutions of the commission shall be adopted by a simple majority of the members present and, in the event of polling, of the total number of the members of the commission. In the event of a tie the vote of the chairman of the commission shall be decisive.

Upon the request of the chairman, the deputy chairman of the commission, the secretary of the commission or a member of the commission the objection or reservation thereof pertaining to a resolution of the commission shall be reflected in the transcript of the meeting of the commission.

16. The resolutions of the commission shall be signed by the chairman of the commission and the secretary of the commission.

17. Issues pertaining to qualification of programs as humanitarian assistance or charity and termination of such qualification shall be discussed, and resolutions thereon shall be

adopted and implemented in a procedure stipulated by the government of the Republic of Armenia.

18. The chairman of the commission shall:

- a) organize and run the operation of the commission, ensure its regular work;
- b) assign the date, time and the venue for the meetings of the commission;
- c) submit for the endorsement of the commission the draft agenda of a meeting and, if necessary, organize the discussion of particular issues through polling;
- d) conduct the meetings of the commission;
- e) sign the resolutions of the commission;
- f) upon the presentation of the deputy chairman of the commission, confirm by initialing or, if necessary, submit to the commission the question of confirming the completion of a program;
- g) upon the presentation of the deputy chairman of the commission, discuss and process in a stipulated procedure the applications on refunding the amounts of the value added tax within the framework of humanitarian assistance or charity programs subject to be refunded pursuant to Clause 15, Article 11 of the Law of the Republic of Armenia "on the National Budget of the Republic of Armenia of the year 2002;
- h) on the basis of the study of the practice of implementation of humanitarian assistance or charity programs, take measures to improve such practice, to increase the efficiency of the programs, as well as, with respect to discovered violations, submit proposals and petitions to the relevant state bodies for taking the necessary measures;
- i) submit, if necessary, a petition to the state customs committee under the government of the Republic of Armenia, seeking permission to apply the "temporary importation" customs regime to goods imported for the implementation of humanitarian assistance and charity;
- j) organize the implementation of recording and distribution of goods received in the name of the Republic of Armenia as humanitarian assistance or charity;
- k) ensure the coverage and transparency of the operation of the commission;
- l) represent the commission in the Republic of Armenia, other states and international organizations;
- m) implement other powers reserved to him/her by the legislation of the Republic of Armenia and these bylaws.

19. The deputy chairman of the commission shall:

a) perform the instructions of the chairman of the commission pertaining to the organization of the operation of the commission;

b) replace the chairman of the commission during his/her absence;

c) organize and run the operation of the staff of the commission;

d) coordinate the work of the working groups established by the commission;

e) receive and examine:

- quarterly reports on the progress in implementation and summary reports upon the completion of humanitarian assistance or charity programs from the organizations implementing such programs;

- documents pertaining to the submission and acceptance of the results of program implementation, provided the program or the resolution on qualifying it as humanitarian assistance or charity or another legal act had envisaged a procedure of such submission and acceptance;

- the report by the person overseeing program implementation, if the resolution on qualifying the program as humanitarian assistance or charity had appointed such a person;

- documents submitted by the personal initiative of the benefactor, the person implementing the program, other interested parties;

- data obtained as a result of surveys of beneficiaries initiated by himself/herself or by others;

- the results of inspections conducted in conformity with the law of the Republic of Armenia "On the organization and conduct of inspections in the organizations operating on the territory of the Republic of Armenia;"

- other information obtained and received on programs of humanitarian assistance and charity, the progress and results thereof,

on the basis of information received, he/she shall maintain an administrative registry of humanitarian assistance or charity programs;

as a result of examination of information on the progress and completion of humanitarian assistance and charity programs:

discuss with a responsible member of the staff the summary data on the implementation of a humanitarian assistance or charity program and submit a recommendation to the chairman of the commission on confirming the completion of the program;

in the event of failure by the organization implementing a program to submit the stipulated information, or in the event of discovering information in the documents submitted which does not correspond to the reality, or in the event of existence in the operation of the organization implementing a program of essential violations of the legislation of the Republic of Armenia, as well as if the purposes of the program are not being met, submit a recommendation to the chairman of the commission on terminating the qualification of the program in question as humanitarian assistance or charity;

summarize the practice of implementation of a humanitarian assistance or charity program, the results thereof, and submit recommendations to the chairman of the commission pertaining to improving such practice, increasing the efficiency of the programs, as well as taking the necessary measures with regard to the violations discovered;

f) discuss applications on refunding the amounts of the value added tax within the framework of humanitarian assistance or charity programs subject to be refunded pursuant to Clause 15, Article 11 of the Law of the Republic of Armenia "on the National Budget of the Republic of Armenia of the year 2002" and submit a recommendation to the chairman of the commission;

g) organize the implementation of recording and distribution of goods received in the name of the Republic of Armenia as humanitarian assistance or charity;

h) with the purpose of ensuring transparency in the area of humanitarian assistance or charity submit the necessary information to the chairman of the commission to be released to the mass media;

i) implement other powers reserved to him/her by the legislation of the Republic of Armenia and these bylaws.

20. The secretary of the commission shall:

a) prepare the draft agenda of the meeting of the commission, the necessary materials and draft resolutions and submit these to the chairman of the commission;

b) no later than two days before the meeting of the commission circulate to the members of the commission the draft agenda of the meeting of the commission and the materials pertaining to the intended issues;

c) organize the preparation of the meeting of the commission;

- d) sign the resolutions adopted by the commission and the transcripts of the meetings of the commission;
- e) disseminate the resolutions of the commission to the respective organizations within stipulated timeframes;
- f) organize clerical support for the commission;
- g) conduct the meetings of the commission in the absence of the chairman and the deputy chairman of the commission;
- h) implement other powers reserved to him/her by the legislation of the Republic of Armenia and these bylaws.

21. The members of the commission:

- a) must participate in the work of the commission in the stipulated manner;
- b) shall be responsible for the implementation of instructions issued to them through the resolutions of the commission;
- c) shall have the right to acquaint themselves with the materials held by the commission on the progress and the results of any program, as well as the transcripts of the meetings of the commission;
- d) may propose issues, prior to the meeting of the commission, to be included in the agenda of the meeting, as well as express their opinion about the agenda;
- e) may submit, through a stipulated procedure, the issue of annulling or amending a resolution adopted by the commission to the government of the Republic of Armenia.

The members of the commission shall also implement other powers reserved to them by the legislation of the Republic of Armenia and these bylaws.

REGULATION FOR THE QUALIFICATION OF HUMANITARIAN ASSISTANCE
AND CHARITY PROGRAMS AS SUCH

1. This regulation shall determine the procedure for the submission, consideration of and deciding on an application for the qualification of a program or transaction (hereinafter referred to as a "program") as humanitarian assistance or charity, for the implementation of oversight over the realization of the programs thus qualified, and for the termination of such qualification.

The issue for qualifying a program as humanitarian assistance or charity in a procedure defined by this regulation may be raised in the events when the initiators of the program intend, within the framework of the program and in a procedure stipulated by the law, to take advantage of co-financing by the government of the Republic of Armenia or of the tax, duty and presumptive tax privileges defined by the law (hereinafter referred to as the "tax privileges"), unless the implementation of the aforementioned co-financing or tax privileges or qualification originates in the laws of the Republic of Armenia and/or international agreements of the Republic of Armenia.

2. Relations pertaining to the qualification of a program as humanitarian assistance or charity shall be defined by the legislation of the Republic of Armenia and by this regulation.

3. A program may include:

a) the name and the purposes of the program;

b) the venue and the area of program implementation (the administrative region [marz], the community, the settlement, the organization, the ministry, the department);

c) information concerning the sources and amounts of the funds and other means for the implementation of the program (the state, legal and natural persons);

d) the beneficiaries of the program (legal and natural persons, communities, the state), the principles and rationale for their selection;

e) the names of the persons immediately implementing the program (in the event of an organization its full name, including the type of its legal organization as well as the taxpayer identification number);

f) the timeframe for the implementation of the program and its phases, if the latter may be identified, its beginning and the end or the period covered;

g) the procedure for the implementation of the program;

h) the transactions envisaged in the course of the implementation of the program, the significance of each of those for the implementation of the program and a brief description, together with the volume and the value of the goods, services and works which are the objects of aforementioned transactions;

i) the transactions envisaged in the course of the implementation of the program over which the initiators of the program envisage the implementation of co-financing by the government of the Republic of Armenia, with a reference to the amount and timeframe of such envisaged co-financing, as well as the transactions, over which the granting of tax privileges is envisaged;

g) the cooperation, in the course of the implementation of humanitarian assistance or charity, with bodies of state governance, local self-administration and other organizations, provided such cooperation is envisaged;

k) a description of the mechanism for oversight over the effectiveness of the final outcome of the program, provided it is envisaged;

l) a description of other circumstances, facts, data, other rationale, which may be considered of significance by the initiators of the program.

4. Only programs implemented by and on the expense of the funds and other means of other states, international intergovernmental (interstate) organizations, international, foreign and Armenian non-commercial organizations, as well as natural persons (hereinafter referred to as "benefactors") may be qualified as humanitarian assistance or charity.

A program aiming at consumption by a detached division or institution, or the employees thereof, of an organization shall not be subject to qualification as humanitarian assistance or charity.

Programs envisaging a purchase and sale transaction (monetization) involving imported goods shall be subject to be qualified as humanitarian assistance or charity, provided the monetization revenue is remitted in its entirety into the national budget of the Republic of Armenia.

5. A program subject to be qualified as humanitarian assistance or charity may include transactions which aim at immediate consumption by the beneficiaries of the program, as well as related transactions which target the efficient implementation of the program, in particular, ensuring the implementation and/or organization of importation, procurement, receipt, customs clearance, transportation, unloading, certification, preservation, warehousing and/or distribution of goods, as well as the rendering of services and performance of works.

6. A program may be qualified as humanitarian assistance or charity by a resolution of the government of the Republic of Armenia or the central commission on humanitarian assistance of the government of the Republic of Armenia (hereinafter referred to as "the authorized body"), on the basis of an application submitted through a procedure stipulated by this regulation.

A program envisaging a purchase and sale transaction (monetization) involving imported goods, as well as a program wherein even one beneficiary is a for profit (commercial) organization (with the exception of organizations in the health sector) may only be qualified as humanitarian assistance or charity by a resolution of the government of the Republic of Armenia.

7. The initiators of a program shall submit an application for the qualification of the program as humanitarian assistance or charity (hereinafter referred to as "the application") to the authorized body.

The initiators of a program may submit the application to that body of state governance, to the scope of operation of which the program pertains. The latter, within a period of 10 days, shall forward it to the authorized body, attaching to it its own opinion of the program. The body of state governance may also, in a stipulated procedure, submit the issue of the application to the government of the Republic of Armenia.

The issue of considering applications for programs referred to in the second paragraph, clause 6 of this regulation, shall be submitted by the authorized body, in a stipulated procedure, to the government of the Republic of Armenia.

The authorized body may also, in a stipulated procedure, submit to the government of the Republic of Armenia the issue of considering applications for a program not referred to in the second paragraph, clause 6 of this regulation, based on the scale of the program and/or other properties thereof.

8. An individual application shall be submitted for every program. An attachment to the application shall contain a description of the program and other documents, materials, including opinions of the program by appropriate state bodies, if such were obtained upon the initiative of the initiators of the program.

The application shall be submitted well in advance, prior to initiating the implementation of the program, so that by the time of the commencement of program implementation the issues pertaining to its qualification as humanitarian assistance or charity and to its co-financing by the government of the Republic of Armenia are sorted out. Derogation from this rule may take place provided the initiators of the program substantiate the impossibility of submitting the application earlier.

The application and the documents attached thereto shall contain information, referred to in clause 3 of this regulation, which is pertinent to the program in question. Moreover, the

person immediately implementing the program must be a party to the transactions, whereas the company of which the person immediately implementing the program is a founder or in which he/she is a participant may not be a party to aforementioned transactions.

9. The responsibility for errors and information which does not correspond to the reality contained in the application and the documents attached thereto shall rest with the applicant.

If the application and the documents attached thereto fail to comply with or meet the requirements of this regulation, or if the information contained therein is in need of additional substantiation, the applicant shall be notified to that effect within ten calendar days, and the term for the consideration of the application shall be suspended until a response is received from the applicant.

10. The application and the documents attached thereto shall not be subject to be returned.

11. After receiving the application and before passing a decision on it opinions thereon shall be received from the interested ministries and national and territorial bodies of state governance, moreover, the following shall be mandatory:

a) an opinion by the ministry of finance and economy of the Republic of Armenia, if co-financing by the Republic of Armenia is envisaged, including refund by the government of the Republic of Armenia of the amounts of the value added tax to the organizations implementing the program;

b) an opinion by the ministry of public revenue of the Republic of Armenia, if refund is envisaged by the government of the Republic of Armenia to the organizations implementing the program of the amounts of the value added tax calculated by the suppliers against the transactions of purchase of goods, services and works on the territory of the Republic of Armenia;

c) an opinion by the ministry of industry and trade of the Republic of Armenia, if a transaction of importation of goods is envisaged, the value of which exceeds a factor of fifty thousand of the minimum wage stipulated in the Republic of Armenia, with the exception of programs of the health sector;

d) an opinion by the state customs committee of the Republic of Armenia, if a transaction of importation of goods is envisaged.

12. The discussion by the government of the Republic of Armenia of the issue of an application and taking a decision thereon shall be implemented in a stipulated procedure.

13. The maximum period for the discussion of an application in the authorized body shall be 30 days.

The application shall be discussed in the authorized body with the participation of the applicant. The applicant must be notified of the day, time and the venue of the discussion (address, room #) at least 2 days in advance thereof. The absence of the adequately notified applicant shall not constitute an impediment for the discussion, although it may represent grounds for adopting a decision on postponing the discussion.

If, as a result of the discussion of the application, the program is qualified as humanitarian assistance or charity, the authorized body shall adopt a respective resolution and forward it to the applicant within 5 working days.

The refusal of the application or the postponement of the discussion thereof (if the discussion asks for additional investigation) shall be recorded, with a reference to the respective reasoning. A respective excerpt from the transcript shall be forwarded to the applicant within 5 working days.

14. The resolution on qualifying a program as humanitarian assistance or charity may, upon the consent of the benefactor or the person implementing the program, may amend the terms and conditions of program implementation as well as determine the procedure for submission and acceptance of the results of the program and the person to implement oversight over such results.

15. The resolution of the authorized body on qualifying a program as humanitarian assistance or charity must contain the following information:

- a) the heading of the resolution (the name of the body, the title of the resolution, the date of adoption and the successive number thereof);
- b) the applicant;
- c) the bodies which have issued opinions of the program;
- d) amendments to the terms and conditions of program implementation (provided the authorized body has made such amendments pursuant to clause 14 of this regulation);
- e) the procedure for submission and acceptance of the results of the program and the person to implement oversight over such results (provided these have been determined);
- f) the volume and frequency of submission of information to be submitted to the authorized body by the person implementing the program;
- g) the state bodies, as well as legal and natural persons (with the exception of the applicant), to whom a copy of the resolution shall be forwarded.

An attachment to the resolution shall contain the program or the resolution shall contain a brief recitation of the information referred to in clause 3 of this regulation.

All pages of the program attached to the resolution shall bear the signature of an official of the authorized body, affirmed by the stamp of the authorized body.

A separate resolution shall be adopted on qualifying every program as humanitarian assistance or charity.

16. An application for the qualification of a program as humanitarian assistance or charity may be refused, if:

- a) the information and data in the application and the documents attached thereto do not satisfy the requirements of this regulation or are not substantiated or reliable;
- b) it is deemed inexpedient, as a result of discussions, to grant tax privileges to the program in question or for the government of the Republic of Armenia to act as a co-financer of the program in question, including the refund of the value added tax.

17. The government of the Republic of Armenia shall be entitled to annul or amend a resolution adopted by the authorized body.

18. The organization implementing a humanitarian assistance or charity program shall, in the course of program implementation and as a result thereof shall, in a stipulated procedure, submit the following to the authorized body:

- a) information on the goods supplied, services rendered, work performed and measures implemented by as well as for the organization within the quarter in question by the 25th day of the month succeeding that quarter;
- b) summary information on the implementation of the program within a period of one month following the completion of the program.

The requirement of this clause shall extend over all organizations implementing humanitarian assistance and charity programs, including organizations implementing programs qualified as humanitarian assistance or charity by the laws of the Republic of Armenia and by the international agreements of the Republic of Armenia or those directly enjoying tax privileges.

19. The authorized body shall exercise oversight over the implementation of humanitarian assistance and charity programs:

- a) through submission and acceptance of the results of the implementation of a program, provided such a procedure has been determined by the program or by the resolution qualifying the program as humanitarian assistance or charity or by another legal act;
- b) upon the initiative of the benefactor, the person implementing the program, other interested parties, its own initiative or as the result of the examination of documents

submitted to the authorized body pursuant to this regulation, as well as of information obtained through polls of the beneficiaries and of the results of inspections conducted in conformity with the law of the Republic of Armenia "On the organization and conduct of inspections in the organizations operating on the territory of the Republic of Armenia."

20. In the event of failure to submit by the organization implementing the program to the authorized body of information referred to in clause 18 of this regulation or the discovery in submitted documents of information which does not correspond to the reality, or in the event of existence in the operation of the organization implementing a program of essential violations of the legislation of the Republic of Armenia, as well as if the purposes of the program are not being met, the authorized body shall be entitled to terminate its resolution qualifying the program as humanitarian assistance or charity and, if such qualification has been granted by a legal act other than the resolution of the authorized body, the latter shall be entitled to submit, in a stipulated procedure, a petition to terminate such qualification to the body that had initially adopted the legal act in question.

21. The authorized body shall adopt a resolution, containing the appropriate reasoning, on terminating the qualification of a program as humanitarian assistance or charity and, if such qualification has been granted by a legal act other than the resolution of the authorized body, on petitioning to terminate such qualification. This resolution shall be forwarded to the organization implementing the program within 5 working days.

22. One copy each of the resolution granting or terminating the qualification of a program as humanitarian assistance or charity shall be forwarded within 5 working days to the ministry of finance and economy of the Republic of Armenia, as well as to the state bodies, legal and natural persons which should receive it pursuant to the resolution in question.

In the event when the resolution determines a refund by the government of the Republic of Armenia to the organization implementing the program of the amounts of the value added tax calculated by the suppliers against the transactions of purchase of goods, services and works on the territory of the Republic of Armenia, a copy of such resolution shall, within 2 working days of its receipt by the ministry of public revenue of the Republic of Armenia, be forwarded to the respective territorial tax inspection.

In the event when the resolution determines a refund by the government of the Republic of Armenia to the organization implementing the program of the amounts of the value added tax subject to be collected by the customs bodies against goods imported through a free circulation customs regime, as well as in the event of envisaging a transaction which is entitled to tax privileges by law, a copy of such resolution shall, within 2 working days of its receipt by state customs committee of the Republic of Armenia, be forwarded to the respective customs unit.

REGULATION FOR THE COMPENSATION OF THE AMOUNTS OF THE VALUE
ADDED TAX SUBJECT TO PAYMENT WITHIN THE FRAMEWORK OF
HUMANITARIAN ASSISTANCE OR CHARITY PROGRAMS

1. This regulation shall define the procedure for the implementation of the refund of the value added tax in the framework of humanitarian assistance or charity programs.
2. Relations pertaining to the refund of the value added tax in the framework of humanitarian assistance or charity programs shall be regulated by the legislation of the Republic of Armenia and by this regulation.
3. The amounts of the value added tax within the framework of humanitarian assistance or charity programs subject to be collected by the customs bodies against goods imported through a free circulation customs regime, as well as the amounts of the value added tax calculated by the suppliers against the transactions of purchase of goods, services and works on the territory of the Republic of Armenia (hereinafter [collectively] referred to as the "amounts of the value added tax") may be refunded through the procedure stipulated by Clause 15, Article 11 of the Law of the Republic of Armenia "on the National Budget of the Republic of Armenia of the year 2002."
4. The amounts of the value added tax shall be refunded on the basis of a resolution adopted by the government of the Republic of Armenia on the humanitarian assistance or charity program in question in the event when the Republic of Armenia, in conformity with the law of the Republic of Armenia on the National budget, appears as the co-financer of those programs, in the volume not to exceed the amount of the value added tax.

The government of the Republic of Armenia, together with adopting the resolution referred to in the first paragraph of this clause, shall qualify the program in question as humanitarian assistance or charity, unless it has been qualified as such by a resolution of the central commission on humanitarian assistance of the government of the Republic of Armenia (hereinafter referred to as the "commission").
5. The issue of refunding the amounts of the value added tax within the framework of humanitarian assistance or charity programs by the government of the Republic of Armenia shall be submitted to the government of the Republic of Armenia pursuant to the stipulated procedure for the submission of issues for discussion by the government of the Republic of Armenia.
6. The amounts of the value added tax within the framework of humanitarian assistance or charity programs shall be refunded to the organization implementing the program or to

the benefactor (hereinafter referred to as the "recipients of the refund") in a procedure and within the timeframe stipulated by this regulation.

7. The process of refund of the amounts of the value added tax shall be implemented by the following procedure and timeframe:

a) following the adoption of the resolution by the government of the Republic of Armenia on refunding of the amounts of the value added tax and the entry thereof into effect, the recipient of the refund shall submit to the commission an application for the refund of the amount of the value added tax (hereinafter referred to as the "application").

The application shall contain a reference to the respective resolution of the government of the Republic of Armenia. The application shall identify the transaction or transactions with respect to which the refund of the amount of the value added tax should be made, as well as the volume of the amount or amounts of the value added tax subject to be refunded at the given point in time. In the event when it is necessary to substantiate the significance for the program in question of the transaction requiring the refund of the amounts of the value added tax, the application shall have an attachment of the appropriate documents. The following shall also be attached to the application:

- the customs declaration, if the refund of amounts of the value added tax subject to be collected by the customs bodies against goods imported through a free circulation customs regime is sought;

- a copy of the tax invoice issued by the supplier, if the refund of amounts of the value added tax calculated by suppliers against the transactions of purchase of goods, services and works on the territory of the Republic of Armenia is sought;

b) upon the receipt of the application the deputy chairman of the commission shall verify the conformity of the application with the information in the administrative registry of humanitarian assistance and charity programs, as well as the substantiation of the claim for the refund of the amounts of the value added tax (hereinafter referred to as the "refund") and shall submit to the chairman of the commission a respective recommendation to go ahead with the application;

If the application fails to conform with the information in the administrative registry of humanitarian assistance and charity programs or if the claim for the refund is not substantiated, the chairman of the commission shall accordingly notify the applicant in writing within 2 working days following the receipt of the application. The applicant shall thereafter have the right to submit a new application in a stipulated procedure.

If the application conforms with the information in the administrative registry of humanitarian assistance and charity programs and the claim for the refund is substantiated, the chairman of the commission shall, within 2 working days following the receipt of the application, submit to the ministry of finance and economy of the Republic of Armenia an application to finance from the National budget of the Republic of

Armenia the amounts not exceeding the volume determined by the respective resolution of the government of the Republic of Armenia. A separate application shall be submitted with respect to every transaction. The customs declaration or a copy of the tax invoice issued by the supplier shall be attached to the application. The application shall be signed by the chairman of the commission and the deputy chairman of the commission. An imprint of the rubber stamp of the commission shall be affixed to the application;

c) on the basis of the documents referred to in the preceding sub-clause the ministry of finance and economy of the Republic of Armenia, within a period of 2 working days following the receipt thereof, shall process an expense item of the National budget of the Republic of Armenia in the amount subject to be refunded, as the amount refunded to the recipient of the refund and, concurrently, an income item of the National budget of the Republic of Armenia, either as value added tax paid by upon importation of goods by the recipient of the refund, or as payment made by the supplier with respect to the value added tax calculated over the transaction of the purchase of goods, services or works, whereupon the latter shall not make remittances of the amounts of the value added tax identified on the invoices of their suppliers on purchases directly pertaining to the transaction in question and, in the event of importation of goods, of the amounts of the value added tax collected by the customs bodies, and such amounts shall be added to the production and turnover costs;

d) after processing the items referred to in the preceding sub-clause the ministry of finance and economy of the Republic of Armenia shall issue a document confirming the payment:

in 4 copies, if the refund pertains to goods imported through the free circulation customs regime;

in 5 copies, if the refund pertains to the purchase of goods, services or works in the territory of the Republic of Armenia;

e) one copy of the document processed pursuant to the preceding sub-clause shall be kept at the ministry of finance and economy of the Republic of Armenia.

If the refund pertains to goods imported through the free circulation customs regime, the ministry of finance and economy of the Republic of Armenia shall forward one copy of the document processed pursuant to the preceding sub-clause to the state customs committee of the government of the Republic of Armenia, whereas 2 copies shall be forwarded to the commission.

If the refund pertains to the purchase of goods, services or works in the territory of the Republic of Armenia, the ministry of finance and economy of the Republic of Armenia shall forward one copy of the document processed pursuant to the preceding sub-clause to the ministry of public revenue of the Republic of Armenia, whereas 3 copies shall be forwarded to the commission;

f) the document received pursuant to the preceding sub-clause in the ministry of public revenue of the Republic of Armenia or in the state customs committee of the government Republic of Armenia pursuant to the preceding sub-clause,, shall, within 2 working days following the receipt thereof, be forwarded to the respective territorial tax inspection or customs unit;

g) one copy of the document received by the commission pursuant to sub-clause "e," clause 7 of this regulation shall be kept in the staff of the commission, whereas the other copies shall, within 2 working days following the receipt thereof, be forwarded by the chairman of the commission to the recipient of the refund;

h) if the refund pertains to goods imported through the free circulation customs regime the recipient of the refund shall keep the copy of the document received pursuant to the preceding sub-clause.

If the refund pertains to the purchase of goods, services or works in the territory of the Republic of Armenia the recipient of the refund shall keep one the copy of the document received pursuant to the preceding sub-clause and shall forward the other copy to the supplier over the transaction in question.

8. Ministerial normative acts on the enforcement of this regulation shall be adopted by the ministry of finance and economy of the Republic of Armenia in consultation with the ministry of public revenue of the Republic of Armenia and the state customs committee of the government of the Republic of Armenia.

9. Documents referred to in this regulation shall be kept for the duration stipulated by the legislation of the Republic of Armenia.