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LAW OF THE NATIONAL ASSEMBLY  
06/07/00 NHO-81

ON THE USE OF TAX, CUSTOMS AND COMPULSORY PAYMENT  
PRIVILEGES PROVIDED BY THE AGREEMENT SIGNED ON DECEMBER 15,  
1992 ON COOPERATION BETWEEN THE RA GOVERNMENT AND THE US  
GOVERNMENT ON FACILITATION OF MONITORING OVER  
HUMANITARIAN AND TECHNICAL ASSISTANCE  
(USAID Bilateral)

010.0081.270700

LAW OF THE REPUBLIC OF ARMENIA  
Adopted on July 6, 2000

ON THE USE OF TAX, CUSTOMS AND COMPULSORY PAYMENT  
PRIVILEGES PROVIDED BY THE AGREEMENT SIGNED ON DECEMBER 15,  
1992, ON COOPERATION BETWEEN THE RA GOVERNMENT AND THE US  
GOVERNMENT ON FACILITATION OF MONITORING OVER  
HUMANITARIAN AND TECHNICAL ASSISTANCE

Article 1. This law regulates the relationships related to the privileges of tax, customs, and compulsory payments provided by the agreement signed on December 15, 1992 on Cooperation between the RA Government and the US Government on Facilitation of Monitoring over the Humanitarian and Technical Assistance (hereinafter, agreement).

Article 2. The tax, customs and compulsory payment privileges defined by this law mean that within the scopes of the US assistance projects (hereinafter, projects):

1) By the US Government or private organizations (hereinafter, organizations) and physical persons implementing projects:

- a) The import of goods to the Republic of Armenia, as well as the supply of goods and delivery of services in the Republic of Armenia (including uncompensated or with partial compensation) are exempted from value added tax,
- b) The goods imported to the Republic of Armenia are exempted from the duties and customs fees,
- c) The goods imported to the Republic of Armenia are exempted from excise tax,
- d) The goods imported to the Republic of Armenia are exempted from the fixed payments charged by the customs authorities as defined by the legislation of the Republic of Armenia.

2) The foreign citizens in the Republic of Armenia are exempted from the income tax, with reference to the incomes received under the projects.

3) For the organizations and physical persons implementing projects:

- a) The supply of goods, delivery of services in the Republic of Armenia (including uncompensated or with partial compensation) are exempted from value added tax,

- b) The goods supplied by the producer-sellers that pay excise tax in the Republic of Armenia are exempted from excise tax,
- 4) The organizations implementing projects are exempted from:
  - a) The profit tax,
  - b) The obligation of withholding the tax withheld at the source of the incomes paid to the non-residents,
  - c) The obligation to compute and transfer to the budget the compulsory social insurance fees when paying incomes to the citizens of the Republic of Armenia,
- 5) The entry of land transport vehicles to the of the Republic of Armenia related to the project implementation is exempted from the road payments and in the case of the air transport-from acceptance and servicing payments.

Article 3. The organizations and physical persons implementing projects, the persons having supplied goods and delivered (provided) services to those organizations and physical persons, the persons having received incomes from those organizations and physical persons and having paid incomes to those organizations and physical persons, are exempted from any taxes, duties and compulsory social insurance fees, other mandatory payments computed for the transactions, operations and incomes defined by Article 2 of this law and unpaid by the time this law has come into force, as well as penalties and fines defined by the legislation of the Republic of Armenia for the violation of the legislation and other legal acts of the Republic of Armenia that regulate their computation and payment. The payments made by organizations and physical persons implementing projects, to the state budget of the Republic of Armenia and the social insurance fund of the Republic of Armenia, before this law takes effect, shall not be returned.

Article 4. This law is effective until the date the effectiveness of the agreement is terminated in accordance with the international law norms.

Article 5. The Ministry of State Revenues of the Republic of Armenia adopts the agency normative acts on the application of this law, confirming that with the Ministry of Finance and Economy of the Republic of Armenia.

Article 6. This law becomes effective the date it is officially promulgated.

July 27, 2000  
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