

**Approved by the National Assembly
September 25, 2002**

**The RA Law on Making
Amendments and Addendum in the RA Customs Code**

Article 1. Add a new paragraph 2 to Article 77 of the RA Customs Code, with the following wording:

2. “Goods containing or expressing work of architectural, design, art or drafting nature, as well as layouts and sketches, for which no clarification is made in subparagraph (d)(iv) of Art. 83 because of the fact that this work was done in the importing country, shall not be considered as “Identical Goods” and “Similar Goods”.

Article 2. The wording of subparagraph g), Art. 78 of the Customs Code shall be as follows:

“g) they are legally recognized as persons who have interest in the same business”.

Article 3. Article 80 of the RA Customs Code shall be worded as follows:

“Goods of the same kind shall be considered those goods that fall within a group of goods produced by a particular industry sector or sub-sector and include identical or similar goods”.

Article 4. In Art. 81, words “Customs value is the amount” shall be replaced with words “Customs value is the transaction price, which is the amount”.

Article 5. Amend Art. 82 with the following sentence:

“Customs Valuation shall be made in accordance with the Interpretative Notes of Chapter 7 (Valuation Agreement) of General Agreement on Tariffs and Trade”, in compliance with procedures specified by the RA Government.”

Article 6. In Art.83, subparagraph (d)(iv), after the word “goods” add “carried out in the country other than the importing country”, and in subparagraph e) replace words “required for” with words “that are required conditions for”.

Article 7. Add new subparagraphs e) and f) to Art. 85 of the Customs Code:

“e) Payments made against construction, assembly, maintenance or technical support activities carried out after transportation through RA Customs Border and related to plants, machine-building tools or equipment and other goods transported through RA Customs Border, if these payments are not included in the amount actually paid or subject to payment for the above-mentioned goods;

f) Duties, taxes and other mandatory payments collected or subject to collection for the importation of goods in the importing country, if they are not included are not included in the amount actually paid or subject to payment for the goods transported through RA Customs Border”.

Article 8. Article 87 shall be worded as follows:

“Article 87. Transaction Value Method of Customs Valuation.

1. For the purpose of calculating Customs value of goods transported across the Customs border by transaction price method the declarant must submit with the Customs Declaration a payment document for the purchase of goods in the country of export (invoice or any substituting document), which should contain information about the date of issuing of the document, serial number, detailed description of seller (shipper), purchaser (consignee) and goods (description of commodity, trademark or commercial name if there is one), number of boxes/packages, unit of measure, unit price, weight and total value, also in case consignment is specified for shipment conditions, there should be a separate line mentioning about transportation, loading, unloading, transshipment, insurance and other similar costs made before reaching the RA Customs border, as well as commission and mediation / broker expenditures (except commission and mediation / broker expenditures made for the purchase of goods), about the proceeds of any subsequent resale, use or disposal of goods that the purchaser should pay to the supplier, directly or indirectly provided by the purchaser to the supplier without compensation or partial compensation to the latter for the production and supply of goods.

2. Customs value of goods transported through the Customs border shall be determined according to the transaction price method, if:

- (a) there is no reasonable basis for the Customs Authorities to conclude that the document presented pursuant to part 1 of this article is false;
- (b) there are no restrictions in respect of disposition or use of the goods by the purchaser other than restrictions imposed by laws of the Republic of Armenia or decisions of the Government, or those limiting the geographical area in which the goods may be resold, or which do not affect essentially the price of commodity;
- (c) the sale or the sale (purchasing) price of the goods are not subject to some condition or consideration, for which customs value cannot be determined based on the cost of the goods;
- (d) any part of the proceeds of any subsequent use, resale or disposal of the goods by the purchaser does not accrue, directly or indirectly, to the vendor, except for the possibility to make additions pursuant to subparagraph g, Article 83 of the present Code;
- (e) the purchaser and the vendor are not related, and if they are, the Declarant shall substantiate that Customs Value calculated by transaction method is close to one of the following values:
 - The transaction value of identical or similar goods sold within the same or approximately the same time period to the purchasers not related to the seller for exporting to RA,

- Customs Value determined for identical or similar goods within the same or approximately the same time period in accordance with Article 91,
- Customs Value determined for identical or similar goods within the same or approximately the same time period in accordance with Article 92.

The above-mentioned justification shall be made on the declarant's own initiative only for the purpose of substantiating the declared Customs Value by method of comparison. When substantiation is made, attention shall be paid to the differences between commercial and quantitative levels, to the elements listed in Art. 83 of this Code, as well as to the expenditures made by the seller or purchaser in case of absence of relation between the seller and purchaser, which are absent in case when the seller and purchaser are related persons.

- (f) the declared Customs value is not significantly lower or higher than, accordingly, the lowest and the highest Customs value, determined through transaction price method, of similar or identical goods accepted by RA Customs Authorities within the same or nearly the same period of time.
3. After declaration has been submitted to Customs Authorities, the latter, if it does not accept the Customs value determined through transaction price method, must give the person transporting the goods an opportunity to produce such detailed information, that may be required to corroborate purchase (transaction) related information. For this purpose, the declarant may submit to Customs Authorities the Customs Value Details Declaration completed in accordance with the procedure specified by the Supreme Customs Authority. Information declared therein must be, upon Customs Authorities' request, corroborated with appropriate documents.”

Article 9. Article 88 shall be worded as follows:

“Article 88. Cases of Determining Customs Value by Customs Authorities

1. Customs value determined by the declarant shall not constitute grounds in the following cases:
 - (a) if the declarant does not submit documents substantiating transportation, loading, unloading, transshipment, insurance costs made for goods before they reach the Customs border of the Republic of Armenia;
 - (b) if the declarant does not submit to the Customs Authorities the invoice or other document defined by point 1 of Article 87 of this Code;
 - (c) if, where the Customs Authorities have reasonable grounds to suspect that the invoice presented by the declarant may be false and request further information, the declarant does not submit such of the following documents as are requested by the Customs Authorities to corroborate the invoice:
 - A copy of the purchase contract for the goods
 - Banking records of the transfer of funds for the purchase to the vendor
 - Customs Value Details Declaration completed in accordance with the procedure specified by the Supreme Customs Authority.

- (d) if for the person transporting the goods there are restrictions in respect of disposition or use of the goods, except for those restrictions defined by laws or other legal acts, or those limiting the geographical area in which the goods may be resold, or which do not affect essentially the price of commodity;
 - (e) if the purchase price is conditioned by a circumstance because of which Customs value is not possible to determine on the basis of value of the goods;
 - (g) if any part of the proceeds of any subsequent use, resale or disposal of the goods by the person transporting the goods does not accrue, directly or indirectly, to the vendor, except for the possibility to make additions to subparagraph g, Article 83 of the present Code;
 - (h) if Customs value calculated on the basis of transaction price is obviously low because the vendor and the purchaser are related.
2. Customs value of goods, stipulated in subparagraph 1(a) of the present Article, which are transported through Customs border, is determined by the Customs Authorities, by making additions pursuant to Article 83 of the present Code.
 3. Customs value of goods, stipulated in subparagraphs 1(b) to 1(g) of the present Article, which are transported through Customs border, is determined by the Customs Authorities in accordance with Articles 89-94 of this Code.
 4. In consideration of the present paragraph, the Customs Authorities use the information at their disposal, as well as the information submitted by the declarant, and the one acquired from the foreign State Bodies and the State Bodies of the Republic of Armenia. The procedure of submitting information to the Customs Authorities by the State Bodies of the Republic of Armenia concerning the present subparagraph shall be determined by the Government of the Republic of Armenia.”

Article 10. Art. 89 shall be worded as follows and added new paragraphs:

- “ 1. Customs value of goods transported through the Customs border of the Republic of Armenia shall be determined on the basis of transaction price of identical goods sold in the same or nearly the same quantity at the same or nearly the same period of time for export to the importing country, making specifications conditioned by differences in commercial levels and/or quantities of goods. This specification shall be based on facts, irrespective of the circumstances that transaction price increased or decreased after the specification.
- 2. While making the specifications, the differences between expenditures and payments for transportation of goods imported from different distances and by different means of transportation shall be taken into consideration.
- 3. If, when applying this Article, it appears that there are more than one transaction prices for the same goods, Customs value of the imported goods shall be determined according to the lowest such value.”

Article 11. Art. 90 shall be worded as follows and added new paragraphs:

- “ 1. Customs value of goods transported through the Customs border of the Republic of Armenia shall be determined on the basis of transaction price of similar goods sold in the

same or nearly the same quantity at the same or nearly the same period of time for export to the importing country, making specifications conditioned by differences in commercial levels and/or quantities of goods. This specification shall be based on facts, irrespective of the circumstances that transaction price increased or decreased after the specification.

2. While making the specifications, the differences between expenditures and payments for transportation of goods imported from different distances and by different means of transportation shall be taken into consideration.

3. If, when applying this Article, it appears that there are more than one transaction prices for the same goods, Customs value of the imported goods shall be determined according to the lowest such value.”

Article 12. Add new paragraph 4 in Art. 91 of the Customs Code (thus changing the numbering of paragraphs 4 and 5) with the following content:

“4. If goods imported within the same or approximately the same period of importation of goods being assessed or imported similar or identical goods are not sold, then Customs Value, for which in other cases provisions of Par. 1 of this Article are applied, shall be determined on the basis of sale unit price in case of selling in the unchanged appearance in the largest gross quantity after the importation of goods or similar or identical goods into RA, provided that those goods had been sold immediately after the importation of goods being assessed, but no later than within 90 days. Furthermore, Customs Payments shall be made in accordance with Par. 1, Art. 96 of this Code, and final recalculation shall be made within the following 60 days. “

Article 13. In Art. 92 of the Customs Code, add a new paragraph with the following wording:

“2. According to this article, for the purposes of determination of Customs value, RA Customs Authorities may, at the producer’s consent, verify the information provided by the producer for determination of Customs value in some other country, after notifying in a due order the government of that country of their intention to conduct a verification, if the government of that country does not object the conduct of such a verification”.

Article 14. Figure “92” in Art. 94, Par. 2 of the Customs Code shall be replaced with figure “91”, and “93” shall be replaced with “92”.

Article 15. Add the following sentence to paragraph 3, Art. 96 of the Customs Code: “Apart from this, the fact of appeal provided for in this paragraph shall not serve as a base for imposition of penalties other than those specified in RA Legislation for delays in making Customs payments”.

Article 16. This Law shall enter into force from..... 1st, 2002