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LAW OF THE REPUBLIC OF ARMENIA

ON NATURE PRESERVATION AND NATURE UTILIZATION PAYS

Adopted by the National Assembly
Dec. 28, 1998

CHAPTER 1. GENERAL PROVISIONS

Article 1. The subject of the Law regulation

This Law shall define the concepts of nature preservation and nature utilization pays (hereinafter, pays), the framework of payers, types of payments, procedures of pay calculation and payment, responsibility in the case of violation of the present law, shall regulate other relationships connected with payments.

Article 2. Concepts of nature preservation and nature utilization pays

Nature preservation pay shall be a compulsory pay that is paid to the state budget in accordance with this law for the purpose of raising monetary means needed for realization of nature preservation arrangements.

Nature utilization pay shall be a pay to the state budget for utilization of natural resources in compliance with this law, for the purpose of effective, complex use of natural resources considered as state ownership, as well as for the purpose of establishment of equal conditions of management for users of natural resources of different quality.

Article 3. Payers of nature preservation and nature utilization pays

Payers of nature preservation and nature utilization pays (hereinafter, payers) are considered to be physical and legal persons, that perform operations defined by articles 4 and 5 of this law.

Article 4. Types of nature preservation pay

The following pays shall be types of nature preservation pays:

- a) for ejection of hazardous substances into environment (air and water basin);
- b) for locating the waste products of production and consumption into environment through defined procedures;
- c) for goods that cause damage to the environment.

Article 5. Types of nature utilization pays.

The following shall be types of nature utilization pays:

- a) for utilization of water;
- b) for extracted supplies of useful minerals
- c) for utilization of biological supply

Article 6. Procedures of payers' registration.

The Government of the Republic of Armenia shall define procedures of payers' registration.

Article 7. Payment rates

Nature protection payment rate shall be defined by the law, and nature utilization payment – by the Government of the Republic of Armenia.

CHAPTER 2. PROCEDURES OF PAY CALCULATION AND PAYMENT

Article 8. Procedures of pay calculation and payment.

Amounts of pays shall be calculated independently, for a quarter if other procedures are not defined by this law, and shall be paid to the state budget in compliance with this law.

Article 9. Procedures of calculation and payment of nature utilization pays

1. Pays for water utilization shall be calculated based on water volume directly taken from natural water sources for the purpose of utilization during the reporting period, with the exception of the case that is mentioned in Article 2.
2. Payers performing fish-breeding, shall make calculation of pay for a reporting year based on 5% of the total volume of utilized water.
3. Pays for extracted supplies of minerals shall be calculated based on volumes of minerals that are extracted during the reporting period.
4. Pays for biological supplies shall be calculated in compliance with this law and shall be paid to the state budget each time before transportation of biological supplies.
5. Authorized body of the Government of the Republic of Armenia (hereinafter, authorized body) shall check the correspondence of pays for utilization of biological supplies with calculations appropriate to this law.
5. In the case when pay for use of biological supplies is incomplete or delayed, bodies of the Tax Inspectorate of the Republic of Armenia (hereinafter, taxing bodies) shall levy pays calculated in accordance with this law.

Article 10. Procedures on calculation of pay and payment of nature preservation.

1. Pay for ejection of hazardous substances into environment shall be calculated based on the volume of ejected hazardous wastes into environment and shall be paid in accordance with this law.

Physical persons shall pay for ejection of hazardous substances into surrounding environment, according to the type of means of motor transportation that is owned by them by an ownership right and defined rates.

2. Pay for goods imported into the Republic of Armenia, that cause damage to environment, shall be calculated based on customs value of those goods and are paid to the state budget when importing by the procedures defined by the Government of the Republic of Armenia.

Pay for goods produced and consumed in the Republic of Armenia that cause damage to the environment shall be calculated by the producer based on circulation of consumption and shall be paid proportionally in respect goods that are consumed during the reporting period.

3. Pay for location of waste product of production and consumption in the environment by defined procedures shall be calculated based on the volume of production and consumption waste products located in building sites during the reporting year and degree of their dangerousness, and shall be paid in accordance with this law.

Article 11. Deadlines for submission of reports on pay and payments

1. Quarterly reports of pays and their calculation shall be submitted to corresponding authorized entities and tax bodies prior 25th of the month following the quarter, and annual reports – prior February 25th of the following year, unless this law defines some other procedures.
2. Payers shall pay the calculated amount quarterly within 5 days following the deadline defined by point 1 of this article, unless this law defines some other procedures.
3. Pay for ejection of hazardous substances into the air basin of the Republic of Armenia by means of transportation registered in other countries shall be made at the moment of their entry into the territory of the Republic of Armenia through submission of document confirming pay to a corresponding customs authority.
4. Payment for imported goods causing damage to the environment shall be made prior their customs execution or during their customs execution, through submission of document confirming payment to a corresponding customs authority.

Article 12. Payment currency

Payments shall be made by Armenian currency.

Article 13. Reimbursement of overpaid amounts

Based on procedures defined by this law, overpaid amounts shall be cleared in accordance with application of payer to the advancing account of the payer or shall be reimbursed within 30 days following the day when application is filed.

CHAPTER 3. RIGHTS AND LIABILITIES OF PAYERS.

Article 14. Payers' rights

Payers shall have the following rights:

- a) In case of need, to demand calculation and recalculation from bodies that levy pays,.
- b) To file an appeal on activities of bodies or official persons that collect pays by procedures defined by the Law.
- c) in cases defined by this law, to require and get amounts that are subject to reimbursement
- d) To acquire appropriate receipt confirming that payment is made.

Article 15. Payers' liabilities.

The payers are liable

- a) to calculate independently and pay in time pay amounts with established rates, in accordance with this law;
- b) In case of need, to submit appropriate documents and information to bodies that levy pays;
- c) To submit documents confirming their right on payment privileges;
- d) To enter corrections in accountant book in the sum of hidden or reduced amounts that are revealed by checkups performed by authorized bodies.

CHAPTER 4. PAYMENT PRIVILEGES

Article 16. Payment privileges

- 1. Handicapped granted cars under privileged conditions by social security bodies shall be pay exempt for that cars for ejection of hazardous substances into air basin by means of transportation that are registered in the Republic of Armenia,
- 2. The following means of transportation that are registered in other countries shall be pay exempt for ejection of hazardous substances into air basin:
 - a) diplomatic and consular representatives;

- b) those who perform transportation within framework of humanitarian assistance and benevolent programs for the Republic of Armenia . Authorized bodies coordinating the humanitarian assistance of the Government of the Republic of Armenia shall define the nature of activity of a certain program in the case when it is not directly mentioned by the legislation of the Republic of Armenia (also, by international agreement of the Republic of Armenia.
 - c) Military forces of the Russian Alliance.
3. Transit goods that are transported through the territory of the Republic of Armenia are pay exempt for that payment that is defined for imported goods causing damage to the environment.

Article 17. Definition of payment privileges

Other privileges for nature preservation pays are defined by the law, and privileges for nature utilization pays – by the Government of the Republic of Armenia.

CHAPTER 5. CONCLUDING PROVISIONS

Article 18. Responsibilities for violation of the law

1. Violation of this law causes responsibility defined by legislation
2. The taxpayers (for legal persons – the corresponding managers) are responsible for correct calculation of payments, timely payment and fulfilling other requirements of this law, unless something else is stipulated by legislation
In case if payments are calculated by indirect methods, the tax entities can apply the indirect methods of appraisal of taxpayers' taxable objects and tax liabilities
3. For late payment the taxpayers are charged fine by the amount of 0,25 percent of outstanding liability for each day after deadline
4. In case of filing of settlement forms or reports subject to filing to authorized entities as late as more than two months, the taxpayer is charged penalty by the amount of 5 percent of total liability for each following 15 days, provided, the amount of penalty does not exceed the total liability
5. Physical and legal persons not registered for conducting activities defined in articles 4 and 5 of this law or having no corresponding documents for conducting those activities are subject to tax liabilities by order defined by this law
6. In case of concealing the liability or declaring it partially or declaring false data on termination of activities (in reports and settlement forms) the taxpayer is charged the amount of liability concealed or declared partially as well as penalty by the amount of 50 percent of total liability. In case of repeating the same violation within one year after it is recorded, the penalty amount will be equal to the amount of liability.
In case of conducting no activities as well as in case of having no taxable object the taxpayer files a declaration which is considered as valid and as summary form of documents filed to tax offices

7. The concealed or partially declared payment as well as fines and penalties designed by this law are paid to budget with 15 days period after the tax office files a corresponding act.
8. In case if arrears are not covered before the deadline, the tax office has the right to apply to court with a demand for enforced collection of arrears or freezing of property.
9. If the nature preservation or tax offices have facts that taxpayers owing liabilities liquidate their taxable objects or hide them which makes it impossible to collect the payments defined by this law, these entities can take measures to collect them before the reporting period. In this case the nature preservation or tax offices can demand settlement forms, reports and other documents designed by legislation for the reporting period by the time the deadline expires.

Article 19. Responsibility for violation of this law.

1. Violation of this law shall result in responsibility defined by legislation.
2. Payers and, in the case of legal persons, official persons representing the legal entity through procedures defined by legislation, shall bear responsibility for true calculation, punctual payment, and obedience of other requirements of this law, unless otherwise defined by the legislation.

In case when calculations of pay are made indirectly, tax bodies may implement legally defined procedures on assessment of taxable objects and tax liabilities through indirect ways.

3. Penalty with rate of 0.25 of underpaid amount of money for each overdue day shall be levied from payers for payment delay
4. In case when calculation subject to submission to the taxing body by payers, as well as reports subject to submission to authorized bodies are delayed for more than two months following the deadline, penalty shall be levied for each 15 days in rate of 5 percent of pay subject to payment, but not more than the total amount of the pay.
5. For accomplishment of operations defined in articles 4 and 5 of this law, physical and legal persons not registered in accordance with procedures defined by legislation or lacking corresponding documents, bear payment liabilities by procedures defined by this law.
6. In cases of hidden payments or underpayments (hiding or reducing amounts of pay, or submitting false data on failure of activity in established reports and calculations) hidden or underpaid amounts calculated in accordance with this law, as well as penalty in rate of 50% of that amount is levied, and in case when hiding of pay or underpayment is repeated within one year period after the violation is recorded, a penalty in rate of the total amount of pay, is levied:

In case when payer fails to perform an activity as well as fails to possess property considered as a subject of payment, the payer shall submit a declaration, which is considered as a brief form of documents filed to authorized or tax bodies.

7. Hidden payments or underpayments, as well as penalties and fines defined by this law are paid to the state budget by tax bodies within 15 days period after appropriate act is issued by a taxing body.

8. In the case when the payment of the amount in terms of payment liabilities withholds the deadline, the tax body shall have a right to appeal court by defined procedures with a request of pay confiscation or property attachment.
9. In the case when nature preservation or tax bodies possess facts according to which the payers that have unpaid payment liabilities are eliminating (liquidating) their objects that cause payment liabilities or are hiding them, as a result of which it becomes infeasible to levy pays defined by this law, then these entities may take measures to levy them prior the reporting period. Then, nature preserving or taxing entities may request reports of reporting period, calculations and other documents defined by legislation before the date of submission is expired.

Article 20. Oversight over pay calculation and payment

Oversight over pay calculation and payment shall be realized by procedures defined by the Government of the Republic of Armenia.

Article 21. Standards and limitations of actual volumes considered as object of payment.

1. The Government of the Republic of Armenia shall define by standards and limitations of actual volumes considered as object of payment.
2. In case, when standards defined in accordance with point 1 of this article are exceeded, the three fold of rates defined in Article 6 of this law shall be implemented as a payment rate for the exceeding portion.

Article 22. Departmental-normative acts on application of the law.

Departmental-normative acts on application of law shall be adopted by the Ministry of Finance and Economy of the Republic of Armenia through agreement with the Ministry of Nature Preservation of the Republic of Armenia and Ministry of Trade and Industry of the Republic of Armenia.

CHAPTER 6. TRANSITIONAL PROVISIONS

Article 23. Procedures on pay calculation and payment in 1999 for enterprises without legal persons status.

Enterprises without legal persons status shall calculate pays and provide payment for 1999 in accordance with procedures that are defined for legal persons.

Article 24. The date this law becomes effective

This law shall be in effect since January 1, 1999.

President of the Republic of Armenia
Yerevan
December 30, 1998

R. Kocharian