

**THE LAW OF THE REPUBLIC OF ARMENIA**  
**ON NATURE PROTECTION AND NATURE UTILIZATION PAYMENTS**

28.12.1998

*Non official translation*

**CHAPTER 1. GENERAL PROVISIONS**

***Article 1. Scope of the Law***

This law shall define concepts of nature protection and nature utilization payments (hereinafter - payments) in the Republic of Armenia, payers, types of payments, procedure of calculation and payment, liability for violation of this law and shall regulate other relations related to payments.

***Article 2. Concept of Nature Protection and Nature Utilization Payments***

Nature protection payment – compulsory payment that generates funds for implementation of environmental programs which, under this law, is paid to the State budget or, in cases specified by law, to the community budgets.

Nature utilization payment – payment paid to the State budget, which is aimed at effective and targeted use of State-owned natural resources, as well as for creation of equal conditions for users of natural resources of different quality.

***Article 3. Payers of Nature Protection and Nature Utilization Payments***

Individuals and organizations that implement functions specified in articles 4 and 5 of this law shall be considered as payers of nature protection and nature utilization payments (hereinafter - payers).

***Article 4. Types of Nature Protection Payments***

Types of nature protection payments are:

- a) for pollution of environment (air and water basin) with harmful substances;
- b) for allotting production and consumption wastes in the environment according to the specified procedure;
- c) for goods harmful for the environment.

***Article 5. Types of Nature Utilization Payments***

Types of nature utilization payments are:

- a) payments for water utilization;
- b) payments for exhausted hard mineral wealth supplies, extracted supplies of subsurface sweet water and mineral water and salt;
- c) payments for utilization of bio-resources.

***Article 6. Procedure of Registration of Payers***

The Government of the Republic of Armenia shall specify the procedure of registration of payers.

***Article 7. Payment Rates***

The law shall specify nature protection payment rates, and the Government of the Republic of Armenia shall set the rates for nature utilization payments.

**CHAPTER 2.**  
**CALCULATION AND PAYMENT PROCEDURES**

***Article 8. Calculation and Payment Procedures***

Payers shall calculate the amount of payment in accordance with this law independently, on quarterly basis and pay it to the State budget unless otherwise envisaged by this law.

***Article 9. Procedure of Calculation and Payment of Nature Utilization Payments***

1. Water utilization payment shall be calculated on the basis of volume of water directly taken from natural water sources within the reporting period for utilization purposes, except for the case indicated in clause 2 of this article.

2. Payers engaged in fish-breeding and crawfish-breeding activities shall calculate water utilization payment based on 5 percent of the total volume of utilized water.

3. Payment for exhausted hard mineral supplies shall be calculated on the basis of volumes of hard mineral supplies exhausted within the reporting period.

Payment for extracted supplies of subsurface sweet water and mineral water and salt shall be calculated on the basis of volumes of supplies of water and salt extracted within the reporting period. For the purposes of this law, exhausted hard mineral supply means the total of hard mineral resources extracted and those lost during extraction within the reporting period, excluding inevitable in-process losses.

For the purposes of this law, extracted supply of subsurface sweet water means the volume of water that has come out (flown out) on surface from a borehole (spring) within the reporting period.

For the purposes of this law, extracted supply of mineral water means the volume of water that has come out (flown out) on surface from a borehole (spring) within the reporting period, excluding inevitable in-process losses.

The Government of the Republic of Armenia shall specify the procedure of calculation of nature utilization payment in terms of different types of mineral resources and certain deposits.

4. Payment for timber utilization shall be calculated on the basis of volumes of supplies utilized within the reporting period.

Payment for other types of bio-resources shall be calculated on the basis of volumes utilized within the reporting period according to this law, and shall be paid to the State budget each time prior to transportation of the bio-resources.

5. Authorized body of the Republic of Armenia (hereinafter – authorized body) shall check the consistency of calculation of payment for utilization of bio-resources with this law.

6. Tax Inspection bodies of the Republic of Armenia (hereinafter - tax bodies) shall collect penalties calculated according to this law for underpayment or overdue payment of bio-resource utilization payment.

***Article 10. Procedure of Calculation and Payment of Nature Protection Payment***

1. Payment for pollution of environment with harmful substances shall be calculated on the basis of the volume of harmful substances ejected into the environment within the reporting period, and shall be paid in accordance with this law.

Payment for ejection of harmful substances from automobiles and mechanisms, which are registered and being operating in the Republic of Armenia by individuals and organizations shall be calculated and paid in accordance with the Law of the Republic of Armenia on Rates of Nature Protection Payments.

2. Payment for goods imported into the Republic of Armenia that are hazardous for the environment

shall be calculated based on the customs value of such goods and shall be paid to the State budget during importation according to the procedure specified by the Government of the Republic of Armenia. Payment for goods manufactured and sold in the Republic of Armenia that are hazardous for the environment shall be calculated by the manufacturer based on the turnover and paid proportional to amount of products sold in the reporting period.

3. Payment for allocation of production and consumption wastes according to the specified procedure in the environment shall be calculated based on volumes of production and consumption wastes allocated in landfills and production areas, and the level of hazard, and shall be paid in accordance with this law.

#### ***Article 11. Dates for Submitting Reports and Making Payments***

1. Payers shall submit quarterly reports regarding payments in two copies to appropriate authorized body for registration by the 20th of the month following the reporting quarter and by February 25th of the next year for annual reports, unless otherwise is established by law.

Payers shall submit second copies of registered reports to the appropriate tax body within five days after the dates specified in this clause.

2. Payers shall pay calculated quarterly payments every quarter by the 1st of the month following the reporting period, and the annual payments – by the 1st of the third month following the reporting year.

3. Payment for ejection of harmful substances into the air basin of the Republic of Armenia from means of transportation registered in foreign countries shall be made at the moment of entering the territory of the Republic of Armenia and the payment confirmation document shall be submitted to the appropriate customs body.

4. Payment for imported goods harmful for the environment shall be made before completing customs formalities or during completion of customs formalities, submitting the payment confirmation document to the appropriate customs entity.

#### ***Article 12. Payment Currency***

Payments shall be made in Armenian drams.

#### ***Article 13. Refund of Overpaid Amounts***

Amounts paid in excess of those calculated according to procedure specified by this law shall be credited against future liabilities of the payer or refunded within 30 days from the day of receiving the request.

### **CHAPTER 3. RIGHTS AND DUTIES OF PAYERS**

#### ***Article 14. Rights of Payers***

Payers have a right to:

- a) demand calculation and, if necessary, recalculation of due amounts from bodies collecting payments;
- b) appeal against actions of officials or bodies engaged in collection of payments according to the procedure set by law;
- c) demand back and receive amounts of payments in cases specified by this law;
- d) receive an appropriate payment receipt.

#### ***Article 15. Duties of Payers***

Payers are obliged to:

- a) independently calculate and make payments in time in accordance with this law;
- b) if necessary, submit appropriate documents and information to bodies collecting payments;
- c) submit documents confirming the right for a privilege;
- d) make corrections in accounting records in amounts of concealed or understated payments disclosed as a result of audits conducted by authorized bodies.

#### **CHAPTER 4. PAYMENT PRIVILEGES**

##### ***Article 16. Payment Privileges***

1. Disabled people, who have received automobiles from social security bodies on preferential terms shall be exempt of payment for ejection of harmful substances from such automobiles registered in the Republic of Armenia;
2. The following shall be exempt of payment for ejection of harmful substances into the air basin from means of transportation registered in other countries:
  - a) diplomatic and consular representations;
  - b) those transporting commodities into the Republic of Armenia within the framework of humanitarian aid and charity programs. In case it is not indicated directly in the legislation of the Republic of Armenia (including international treaties) determination of the character of the program shall be carried out by the authorized body of the Government of the Republic of Armenia coordinating humanitarian aid;
  - c) military forces of the Russian Federation.
3. Goods transiting through the territory of the Republic of Armenia shall be exempt of the environmental payment.
4. Individuals not registered as individual entrepreneurs shall be exempt of payment for allocation of production and consumption wastes according to the specified procedure in the environment.

##### ***Article 17. Payment Privileges***

Other nature protection payment privileges shall be specified by the law, and nature utilization privileges – by the Government of the Republic of Armenia.

#### **CHAPTER 5. CONCLUDING PROVISIONS**

##### ***Article 18. Liability for Violation of this Law***

1. Violation of this law shall attract consequences as set by legislation.
2. Payers shall bear the responsibility for correct calculation, timely payment of environmental payments and for meeting other requirements set by this law, unless otherwise specified by legislation. For legal entities the mentioned responsibilities are imposed on their officials. When calculating the payment by using indirect methods tax bodies may apply the procedure of assessment of taxable objects and tax responsibilities of taxpayers by using indirect methods as set in legislation.
3. Penalty equal to 0.2 percent of the underpaid amount shall be imposed on payers for each overdue day. The mentioned penalty shall apply to amounts of delinquent payment, amount of payment in terms of object of payment disclosed (understated) as a result of audits, for the whole period after the due date but not exceeding 365 days.
4. In case of delaying the submission of calculation-reports by payers to tax and other authorized

bodies for more than two months after the deadline specified by this law penalty shall be collected for each following 15-day period in amount of 5 percent of the amount subject to payment, but not exceeding such amount.

5. Individuals and organizations, who are not registered according to procedure specified by law to perform functions defined in Articles 4 and 5 of this law, or do not have appropriate documents specified by legislation for performance of the function, shall bear payment liability according to procedure specified by law.

6. In case of concealment or understatement of payment (failing to indicate or understating the amount in calculation-reports or inclusion of fraudulent data in calculation-reports on activities not carried out) the concealed or understated amount as well as penalty amounting to 50 percent of such amount calculated in accordance with law shall be collected, and for repeating concealment or understatement of payment within one year after the violation was registered – also penalty amounting to the whole amount of payment.

In case of failing to carry out an activity, as well as not having property that is an object of payment, the payer shall submit a notification that is considered a summarized form of documentation submitted to authorized and tax bodies.

7. Concealed or understated property as well as fines and penalties specified by this law shall be paid to the State budget and, in cases specified by law, to the community budget, within 15 days after submission of the appropriate act by tax bodies.

8. In case the amount of payment liability is not paid within the specified dates the tax body shall have a right to apply to court with a demand to seize the payment or to freeze the property.

9. In case the Environmental or tax bodies have evidence that payers with unpaid liabilities eliminate (liquidate) or conceal objects attracting liability, as a result of which it becomes impossible to collect payments specified by law, such bodies may undertake measures in order to collect those before the reporting period. In that case Environmental or tax bodies may demand calculation-reports and other documents specified by legislation for the reporting period before their submission date is due.

#### ***Article 19. Control over Calculation and Payment***

Control over payment calculation and payments shall be implemented according to procedure specified by the Government of the Republic of Armenia.

#### ***Article 20. The Actual Volumes of Objects of Payment and Limitations thereof***

1. The Government of the Republic of Armenia shall specify the actual volumes of objects of payment and limitations thereof.

2. In case of exceeding the amounts specified in accordance with clause 1 of this article three times the rates specified by article 7 of this law shall be applied as a payment rate to the amount in excess.

#### ***Article 21. Administrative Acts on Implementation of this Law***

The RA Ministry of Finance and Economy shall adopt the normative acts regarding implementation of this law in agreement with the RA Ministry of Environment and the RA Ministry of Industry and Trade.

### **CHAPTER 6. TRANSITIONAL PROVISIONS**

#### ***Article 22. Calculation and Payment Procedures in 1999 for Enterprises without the Status of a Legal Entity***

Enterprises without status of a legal entity shall calculate and make payments for 1999 according to procedure specified by this law for legal entities.

***Article 23. Enactment of this Law***

This Law shall enter into force from January 1, 1999.

**President of the Republic of Armenia  
Robert Kocharyan**

**30 December 1998  
AL-270**