

## Customs Issues

**1. Customs Control and Formalities****Introduction**

The Armenian legislation in the field of customs control and formalities partially compiles with the EU legislation.

The EU legislation regulating the field of customs control and formalities defines the basic principles of customs affairs, regulates customs issues related to import of certain types of arms and control of transport means registered in other countries. The above-mentioned issues in Armenia are regulated by the Customs Code of Armenia<sup>1</sup>, the RoA laws on Arms<sup>2</sup> (Article 17), on International Treaties<sup>3</sup> (Article 2), on Chambers of Commerce and Industry<sup>4</sup> (Article 6), on Currency Regulation and Currency Control<sup>5</sup> (Article 3), on Aviation<sup>6</sup> (Article 60) and other laws and secondary legislation.

Based on the screening results it should be noted that there is no single legal act in the field of customs control and formalities which would unite all secondary legislative acts based on the EC Regulation No. 2454/93<sup>7</sup>, i.e. it is necessary to draft a single regulation encompassing all governmental and state agency legal acts, particularly decisions and orders of the State Customs Committee and the State Tax Service under the Government of Armenia and other legal acts. Such consolidated regulation would simplify both the application and the understanding of the legislation on customs control and formalities<sup>8</sup>. The legislation of this field does not provide for detailed description of the following customs regimes: “customs warehouse”, “temporary import for reprocessing”, “transitional transport”. The concept of enforcement of the pledge (guarantee) is missing. The legislation does not provide for the possibility of delay of customs duty payment. Within the framework of harmonization of the Armenian legislation with that of the EU, the right of the importer (exporter) to obtain written information on actions to be carried out by Customs Authorities shall be stipulated in the Armenian legislation. The right of representation should be secured in the stage of declaration<sup>9</sup>. Simplified procedures are provided by and broadly used in the EU legislation<sup>10</sup>; meanwhile these procedures are missing in the Armenian legislation. In Armenia there are no preferential regimes for levying customs duty<sup>11</sup>. In the European Union, types of weapons prescribed by law are exempt from customs duty<sup>12</sup>.

Within the framework of the Programme, the subchapter “Customs Control and Formalities” shall be completely approximated with the requirements of the EU legislation by 2009.

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<sup>1</sup> HO-83, 06.07.2000

<sup>2</sup> HO -246, 03.07.1998

<sup>3</sup> HO -85, 28.07.2000

<sup>4</sup> HO -250, 24.10.2001

<sup>5</sup> HO -135-N, 24.11.2004

<sup>6</sup> HO -327, 20.05.2002

<sup>7</sup> The EU secondary legislative acts on customs are consolidated in European Commission (EC) Enforcement Regulation No. 2454/93, see Council Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92

<sup>8</sup> Council Regulation (EEC) No. 2913/92 of 19 October 1992 establishing the Community Customs Code

<sup>9</sup> Council Regulation (EEC) No. 2913/92 of 19 October 1992 establishing the Community Customs Code (Article 5)

<sup>10</sup> Council Regulation (EEC) No. 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 (Article 253-267)

<sup>11</sup> Council Regulation (EEC) No. 918/83 of 28 March 1983 setting up a Community system of relief from customs duty

<sup>12</sup> Council Regulation (EC) No. 150/2003 of 21 January 2003 suspending import duties on certain weapons and military equipment

**Y2007**

To regulate customs issues related to import of certain types of weapons, amendments shall be made to the Customs Code of Armenia, the RoA Law on Arms, Government Decree on the approval of the procedure for transfer of military equipment, arms, parts and components of ammunition across the customs border of Armenia, on the basis of the main provisions of the EC Regulation No. 150 of 21 January 2003.

The Government of Armenia shall elaborate a draft decree for regulation of the control of transport means registered or put into circulation in other countries. The elaboration of the mentioned draft decree shall be based on the EC Regulation No. 3912 of 17 December 1992.

**Y2008**

The Customs Code of Armenia shall be amended with the purpose of approximating it with EU standards. These amendments shall be in line with the principles of EC Regulations No. 2913/92 of 19 October 1992, No. 918/83 of 28 March 1983 and No. 2658/87 of 23 July 1987.

**Y2009**

A new draft law shall be elaborated for ensuring the application of the Customs Code of Armenia based on the core provisions of the Regulation No. 2454/93 of 9 July 1998.

**1.1. Legislative Approximation**

0	1	2	3	4	5	6
NN	Measure	EU Legal Source	Responsible Institutions	Submission Date	Necessary Resources (man/days)	EU Technical Assistance
<b>2007</b>						
1.	<ul style="list-style-type: none"> <li>Elaboration of a draft law on making amendments to the Customs Code of Armenia</li> <li>Elaboration of a draft law on making amendments to the RoA Law on Arms</li> <li>Elaboration of a draft Government Decree on making amendments to Government Decree No. 960-N of 31 July 2003 on the approval of the procedure for transfer of military equipment, arms, parts and components of ammunition across the customs border of Armenia</li> </ul>	Council Regulation (EC) No. 150/2003 of 21 January 2003 suspending import duties on certain weapons and military equipment	Ministry of Finance and Economy of Armenia  (State Customs Committee under the Government of Armenia, Ministry of Defence of Armenia, Police under the Government of Armenia)	1 <sup>st</sup> quarter	15	Provisional expertise
2.	Elaboration of a draft Government Decree on controls carried out in the field of road and inland waterway transport means registered or put into circulation in other countries	Council Regulation (EEC) No. 3912/92 of 17 December 1992 on controls carried out within the Community in the field of road and inland waterway transport in respect of means of transport	Ministry of Finance and Economy of Armenia  (State Customs Committee under the Government of Armenia, Ministry of Trade	2 <sup>nd</sup> quarter	15	Consultancy, provisional expertise

		registered or put into circulation in a third country	and Economic Development of Armenia, Ministry of Transport and Communication of Armenia)			
<b>TOTAL</b>					<b>30</b>	
<b>2008</b>						
3.	Elaboration of a draft law on making amendments to the Customs Code of Armenia	<p>Council Regulation (EEC) No. 2913/92 of 19 October 1992 establishing the Community Customs Code</p> <p>Council Regulation (EEC) No. 918/83 of 28 March 1983 setting up a Community system of relief from customs duty</p> <p>Council Regulation (EEC) No. 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff</p>	<p>Ministry of Finance and Economy of Armenia</p> <p>(State Customs Committee under the Government of Armenia, Ministry of Trade and Economic Development of Armenia, State Tax Service under the Government of Armenia)</p>	1 <sup>st</sup> quarter	381	Consultancy, provisional expertise
<b>TOTAL</b>					<b>381</b>	
<b>2009</b>						
4.	Elaboration of a draft law on the	Commission	Ministry of Finance	1 <sup>st</sup> quarter	900	Consultancy, provisional

	implementation of the Customs Code of Armenia	Regulation (EEC) No. 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code	and Economy of Armenia  (State Customs Committee under the Government of Armenia)			expertise
<b>TOTAL</b>					<b>900</b>	

**1.2. Institutional Capacities**<sup>13</sup>

0	1	2	3	4
N/N	Institution	Reorganization	Training Needs	Technical Assistance Needs
1.	<ul style="list-style-type: none"> <li>• State Customs Committee under the Government of Armenia</li> <li>• RoA Ministry of Defence</li> <li>• Police under the Government of Armenia</li> <li>• RoA Ministry of Finance and Economy</li> </ul>	-	Training course on the transfer of arms and ammunition across the customs border (3 days/ 2007)	Provisional expertise, training
2.	<ul style="list-style-type: none"> <li>• State Customs Committee under the Government of Armenia</li> <li>• RoA Ministry of Finance and Economy</li> <li>• RoA Ministry of Trade and Economic Development</li> <li>• State Tax Service under the Government of Armenia</li> </ul>	-	Training course on the EU Customs Code (5 days/ 2008)	Consultancy, provisional expertise, training
3.	<ul style="list-style-type: none"> <li>• State Customs Committee under the Government of Armenia</li> <li>• RoA Ministry of Finance and Economy</li> <li>• RoA Ministry of Trade and Economic Development</li> <li>• State Tax Service under the Government of Armenia</li> </ul>	-	Training course on the implementation of the EU Customs Code (5 days/ 2008)	Consultancy, provisional expertise, training

<sup>13</sup> For coordination of legislative approximation activities, relevant EU Integration subdivisions will be established within the responsible ministries and state agencies mentioned in the present subchapter

## **2. Data Communication Networks**

### **Introduction**

The issue related to data communication on customs activities among various state agencies in the EU mainly refers to EU Member States and by its nature it carries the peculiarities of relations developed between Member States, thus there is no a similar legal act in Armenia<sup>14</sup>.

As regards registration of animal import, it should be mentioned that Armenia does not use a computerized database for the registration of animal import, although the Government Decree No. 59-N of 29 January 2004 implies the registration of internal movement of animals<sup>15</sup>.

Within the framework of the Programme, the subchapter "Data Communication Networks" shall be completely approximated with the requirements of the EU legislation by 2009.

### **Y2009**

For the regulation of cooperation among various state agencies in the context of effective settlement of agricultural matters during the implementation of the Customs Code, the Government of Armenia shall elaborate a draft decree based on the provisions of the EC Regulation No. 515 of 13 March 1997.

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<sup>14</sup> Council Regulation (EC) No. 515/97 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters

<sup>15</sup> Council Decision of 13 July 1992 on computerization of veterinary import procedures (Shift project),

**2.1.1 Legislative Approximation**

0	1	2	3	4	5	6
N/N	Measure	EU Legal Source	Responsible Institutions	Submission Date	Necessary Resources (man/day)	EU Technical Assistance
<b>2009</b>						
1.	Elaboration of a draft Government Decree on mutual assistance and cooperation between different state agencies of Armenia with the view to settling agricultural matters during the implementation of the Customs Code of Armenia	Council Regulation (EC) No. 515/97 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter and the Commission to ensure the correct application of the law on customs and agricultural matters	Ministry of Finance and Economy of Armenia (Together with State Customs Committee under the Government of Armenia, Ministry of Agriculture of Armenia and other public authority related to the issue)	1 <sup>st</sup> quarter	33	Provisional expertise
<b>TOTAL</b>					<b>33</b>	



**2.1.2 Institutional Capacities**<sup>16</sup>

0	1	2	3	4
N/N	Institution	Reorganization	Training Needs	Technical Assistance Needs
1.	State Customs Committee under the Government of Armenia  RoA Ministry of Finance and Economy  RoA Ministry of Agriculture  Other public authorities	-	Training course on the cooperation among state agencies for effective settlement of agricultural matters and implementation of the Customs Code in the EU (2 days/ 2009)	Provisional expertise, training

<sup>16</sup> For coordination of legislative approximation activities, relevant EU Integration subdivisions will be established within the responsible ministries and state agencies mentioned in the present subchapter

### **3. Specific Schemes**

#### **Introduction**

The Armenian legislation in the field of specific schemes with respect to its interpretation generally complies with the EU legislation.

The EU legislation related to specific schemes regulates the issues concerning the import of narcotic drugs and psychotropic substances as well as certain issues regarding the protection of intellectual property rights. The above-mentioned issues in Armenia are regulated by the Customs Code of Armenia<sup>17</sup> (Article 86, 189-204, 227-233), RoA laws on Narcotic drugs and Psychotropic Substances<sup>18</sup>, on Licensing<sup>19</sup> (Article 23), on Copyright and Related Rights<sup>20</sup> (Article 4), on Trade Marks and Service Marks, Appellation of Origin<sup>21</sup> (Article 4), on Protection of Selection Achievements<sup>22</sup> (Article 14), other laws and secondary legislation.

Based on the screening results it should be noted that the list of psycho-medicines imported by the Government of Armenia differs from that of the EU<sup>23</sup>. The Armenian legislation does not stipulate the requirement on notification of the alleged infringement to the Customs Authorities prior to informing the legal owner. The Armenian legislation does not provide for the opportunity of on-line application. Unlike the EU legislation, the applicant in Armenia is notified within 7 days. Furthermore, unlike the EU legislation the Armenian legislation envisages the payment of state duty. The concept of an operator for drug market does not exist in Armenia. The procedure for granting licenses in the EU is described in more detail. The order of completing the documents for import and export of psychotropic substances as well as the procedure for its labelling differs in Armenia. The principles for the application of punishment for illicit drug trafficking should be supplemented in the Armenian legislation. There is no definition of goods infringing the property rights in the Armenian legislation<sup>24</sup>.

Within the framework of the Programme, the subchapter "Specific Schemes" shall be completely approximated with the requirements of the EU legislation by 2009.

#### **Y2007**

The RoA Law on Narcotic drugs and psychotropic substances and on Licensing shall be amended in view of effective regulation of issues related to import of narcotic drugs and psychotropic substances. Thus, the said law shall be approximated with the provisions of Regulations No. 273 of 11 February 2004 and No. 3677 of 13 December 1990.

#### **Y2008**

For the protection of intellectual property rights in the context of customs controls, amendments shall be made to the RoA laws on Copyright and Related Rights, on Trade Marks and Service Marks, Appellation of Origin, on Protection of Selection Achievements

<sup>17</sup> HO-83, 06.07.2000

<sup>18</sup> HO - 518, 26.12.2002

<sup>19</sup> HO -193, 30.05.2001

<sup>20</sup> HO -28, 08.12.1999

<sup>21</sup> HO -41, 20.03.2000

<sup>22</sup> HO -23, 23.11.1999

<sup>23</sup> Regulation (EC) No. 273/2004 of the European Parliament and of the Council of 11 February 2004 on drug precursors  
Council Regulation (EEC) No. 3677/90 of 13 December 1990 laying down measures to be taken to discourage the diversion of certain substances to the illicit manufacture of narcotic drugs and psychotropic substances

<sup>24</sup> Council Regulation (EC) No. 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights

as well as the Order of the State Tax Service of Armenia on Approving the procedure for supporting the protection of rights over intellectual property objects by the Customs Authorities Armenia. The above-mentioned amendments shall be made in accordance with the main provisions of the EC Regulation No. 1383 of 22 July 2003.

**3.1.1 Legislative Approximation**

0	1	2	3	4	5	6
N/N	Measure	EU Legal Source	Responsible Institutions	Submission Date	Necessary Resources (man/days)	EU Technical Assistance
<b>2007</b>						
1.	<ul style="list-style-type: none"> <li>Elaboration of a draft law on making amendments to narcotic drugs and psychotropic substances</li> <li>Elaboration of a draft law on making amendments to the RoA Law on Licensing</li> </ul>	<p>Regulation (EC) No. 273/2004 of the European Parliament and of the Council of 11 February 2004 on drug precursors</p> <p>Council Regulation (EEC) No. 3677/90 of 13 December 1990 laying down measures to be taken to discourage the diversion of certain substances to the illicit manufacture of narcotic drugs and psychotropic substances</p>	<p>Ministry of Healthcare of Armenia</p> <p>(with participation of the Ministry of Justice of Armenia, Ministry of Finance and Economy of Armenia and State Customs Committee under the Government of Armenia)</p>	2 <sup>nd</sup> quarter	36	Provisional expertise
<b>TOTAL</b>					<b>36</b>	
<b>2008</b>						
2.	<ul style="list-style-type: none"> <li>Elaboration of a draft decision of State Tax Service under the Government of Armenia on making amendments to the Order No. 02/1507 of 5 December 2000 of the State Tax</li> </ul>	<p>Council Regulation (EC) No. 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual</p>	<p>Ministry of Trade and Economic Development of Armenia</p> <p>(Ministry of Culture and Youth Affairs of</p>	4 <sup>th</sup> quarter	15	Provisional expertise

	<p>Service under the Government of Armenia on the approval of the procedure for supporting protection of rights over intellectual property objects by Customs Authority of Armenia</p> <ul style="list-style-type: none"> <li>• Elaboration of a draft law on making amendments to the RoA Law on Copyright and Related Rights</li> <li>• Elaboration of a draft law on making amendments to the RoA Law on Trade Marks and Service Marks, Appellation of Origin</li> <li>• Elaboration of a draft law on making amendments to the RoA Law on Protection of Selection Achievements</li> </ul>	property rights and the measures to be taken against goods found to have infringed such rights	Armenia, Ministry of Finance and Economy of Armenia, State Customs Committee under the Government of Armenia)			
<b>TOTAL</b>					<b>15</b>	

**3.1.2 Institutional Capacities**<sup>25</sup>

0	1	2	3	4
N/N	Institution	Reorganization	Training Needs	Technical Assistance Needs
1.	RoA Ministry of Healthcare RoA Ministry of Justice RoA Ministry of Finance and Economy State Customs Committee under the Government of Armenia	-	Training course on the control over the production and transfer of narcotic drugs and psychotropic substances in the EU (5 days/ 2007)	Provisional expertise, training
2.	RoA Ministry of Trade and Economic Development RoA Ministry of Culture and Youth Affairs RoA Ministry of Finance and Economy State Customs Committee under the Government of Armenia	-	Training course on the measures against goods infringing intellectual property rights in the EU (3 days/ 2008)	Provisional expertise, training

<sup>25</sup> For coordination of legislative approximation activities, relevant EU Integration subdivisions will be established within the responsible ministries and state agencies mentioned in the present subchapter