

Financial-Legal

Armenia's Jewelers Face Counter License Fees in Tax Law Change

Jun 16, 2015 2:22 PM By ARKA

(RAPAPORT) ARKA: Jewelry business entrepreneurs are unhappy about the amendments proposed to Armenia's tax laws, Stepan Aslanyan, the chairman of the Union of Entrepreneurs, told journalists on Tuesday.

On June 10, Armenia's government gave its approval to amendments that replace a turnover tax for gold market traders with license fees. In accordance with these amendments, license fees will depend on the size of the jeweler's counter and the turnover, but were projected not to exceed \$242,000 (AMD 115 million).

"Trading has been reduced and people want to pay the 1 percent tax from their turnover, but without any paperwork," Aslanyan said. He said the government ought to listen to their arguments -- otherwise entrepreneurs will start struggling to protect their rights.

"People pay for leasing their counters, but they are not cash-cows to pay plenty to owners of markets without earning money," he said.

"Jewelers don't agree with the amendments and other novelties. It means they demand AMD 35,000 (\$74) just from Yerevan traders that have a 0.7-meter counter and a little less from others. Some jewelers sell precious and big jewelry pieces, but some others only three or four chains," said Armen Babayan, the head of the Association of Jewelry Industry Entrepreneurs. After Prime Minister Hovik Abrahamyan toured gold markets, some hope emerged that things would be put right, but, in the end, the situation even worsened, he added.

Arthur Poghosyan, an entrepreneur, said the gold market is flagging now -- only few jewelry pieces are sold during a day. "Many jewelers have accumulated debts and many have taken loans," he said. "People are not able even to think about big income -- many only think how to earn for bread."

Traders in Yerevan have to pay \$74 (AMD 35,000) for a 0.7-meter counter and if they lease a larger counter they pay additional \$11 (AMD 5,000) for every 0.1 meter. Traders in provincial centers have to pay \$53 (AMD 25,000) and in other areas the fee is as low as \$32 for a similar size counter.

(c) 2015 ARKA

RAPAPORT
INFORMATION THAT MEANS BUSINESS.®