



# **European Business Association Armenia ANNUAL REPORT 2016**

**WORKING FOR THE FUTURE!**

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Yerevan, Armenia 2017



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Message of the Honorary President of the European Business Association in Armenia  
Head of the European Union  
Delegation to the Republic of Armenia,  
EU Ambassador Extraordinary and Plenipotentiary  
**Dr. Piotr Antoni Świtalski**

The relations between the European Union and the Republic of Armenia have always been experiencing a very consistent way of development throughout our cooperation history. The growth and the development of the EU - Armenia partnership proceeds in various directions including three main EU priorities within private sector development, public administration reform and justice sector reform.

The establishment of European Business Association (EBA) in Armenia has come at an appropriate time to occur with the above-mentioned developments and support European business community in the country, to nurture bilateral relations and economic interactions between the EU and Armenia.

The EBA likewise intends not only to introduce the best practice for business environment improvement and business development solutions, but also to perform as a platform for PPD and trade facilitation. In this context, the EBA has its crucial role in business advocacy process.

The EU warmly welcomes the EBA's efforts towards the business environment improvement, drawing foreign investments and the foreign trade in Armenia.

I strongly believe that EBA will stimulate the improvement of business related legislation and the environment in Armenia and provide the rich ground for the further achievements in the EU – Armenia cooperation.

I wish the EBA and its members the further success and achievements in the 2017 year.

## ABOUT EBA ARMENIA

The European Business Association (EBA) was founded in October 2015 under the support of the European Union Delegation to the republic of Armenia. The EBA is the union of legal entities that brings together more than 120 foreign and local Companies from different sectors.

The main objective of EBA is to support representatives of Business Community in Armenia and facilitate the integration and cooperation between Armenia and the European Union, as well as to improve business environment, encourage foreign investments and improve corresponding legislative framework. The EBA is functioning as a voice of EU businesses in Armenia to direct their needs toward Armenian authorities and advocating their interests for the elimination of corresponding obstacles. The EBA is promoting fair, open and productive relationship between business and the government. As a result it provides enhancement of competitiveness of the private sector through company capacity strengthening, increasing the transparency of governance and the business environment. At the same time the EBA is increasing the level of integration and cooperation of Armenian and European companies through conducting appropriate activities for enlarging business connections, distributing information on corresponding requirements (certificates, quality control and standards, licensing, etc.) and other activities. The EBA periodically organizes conferences, seminars business meetings, networking events for local and EU businesses operating in Armenia. EBA Armenia is a part of a global network (European Business Organization World Wide Network) – representing 34 countries outside the EU including Australia, Brazil, China, India, Kazakhstan, Korea, Malaysia, Russia, Singapore and others.

### MISSION

**The EBA Armenia is a business hub for Armenian and foreign entities aimed at:**

- facilitating domestic and foreign trade;
- improving business climate through different communication platforms;
- bolstering foreign investments;
- promoting business activities between EU and Armenia.

### VISION

To enable & drive the establishment of European business practices and values in Armenia in order to promote economic growth and prosperity of the country.



EUROPEAN BUSINESS ASSOCIATION ARMENIA



## EBA BOARD

**LEVON ISRAELYAN**

EBA Chairman

Executive Director of Armenian-Italian  
Association for Commerce and Industry



**GEORGE BLEKAS**

EBA Deputy Chairman

Executive Director of Intracom Armenia LLC



**ARMINE ISRAYELYAN**

EBA Board Member

Executive Director of Armenian British Business Chamber



**DIETMAR STIEL**

EBA Board Member

Executive Director of German Business Association



**HAYK ABGARYAN**

EBA Board Member

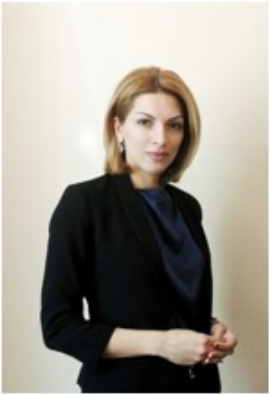
Executive Director of French-Armenian  
Chamber of Commerce



## EBA NEW DIRECT MEMBERS



## EBA TEAM



Diana Sarumova  
Executive Director



Garegin Galustov  
Business  
Development  
Manager



Vardan Marutyan  
Chief Accountant



Arman Zakaryan  
IT manager



Stella Mikavelyan  
Lobby & Advocacy  
Manager



Anna Pepanyan  
Administrative  
assistant



## LOBBY AND ADVOCACY ACTIVITIES

**EBA is lobbying interests of foreign and local business community in Armenia through reviewing the main impediments for business and working together with the government to make business environment more friendly and attractive.**

### 2016

- Q1**
- EBA is established by four leading National Chambers and Business Associations and launched its activities in February 2016.
  - EBA has been approved as a member of SME Development Council under the Government of RA chaired by Prime Minister.
  - EBA is establishing its networking with EU Member State Embassies and Business Community.
- Q2**
- EBA hold an official meeting with the First Deputy Minister of Economy Mr. Garegin Melkonyan. during which it was agreed to conduct further collaboration with the Ministry.
  - EBA has conducted its first activity for the members (Policy changes for Armenia in the context of regional and global Economic Shocks) in collaboration with Resident representative of International Monetary Fund in Armenia Ms. Teresa Daban.
  - EBA in cooperation with the Ministry of Transportation and Communication of Armenia supports the European Transport Companies to resolve the issue with the entrance and exit of track trailers with different numeration.
  - EBA has commenced a business survey for more than 140 companies to find out main impediments and solutions for business development in Armenia.
  - EBA has initiated the signing of Memorandum of Understanding between 14 Business Associations of Armenia. The main subject of Memorandum were five major problematic areas: Customs Clearance procedures; Tax administration; Equal rights, Competition and Monopoly; Public Procurement and transparency in judicial system.
  - EBA Armenia became a member of the European Business Organizations World Wide Network and attended regular Annual Meeting at DG Grow Brussels. Main discussed topics: SMEs internationalization, SME networking and matchmaking promotion, support to European investors in third countries, EU Commission projects to support SME development, etc. EBA was discussing Eastern Partnership perspectives

**Q3**

- EBA jointly with the Business Community and the European Diplomatic Community in Armenia conducted a business forum on 'Business perspectives (impediments and opportunities) for foreign and local companies/investors doing business in Armenia'.
- EBA continued its involvement in the ongoing discussions between the EU and Armenian government on Public Procurement procedure improvement that should be applied by the Government to make the process more efficient, transparent and fair.
- EBA has initiated the cooperation with the State Revenue Committee of Armenia and agreed to work on the legislative amendments as well as on the improvement of tax inspections and customs procedures.
- The Public-Private Dialog was organized by EBA; the commitment of the government was received to cooperate with business associations in the direction of creation of better business and investment climate in Armenia.
- Memorandum of Understanding signed between 14 Armenian and European Business Associations was presented to the Government of RA. The main objective of MOU is to emphasize the most important areas for business environment improvement in Armenia and to demonstrate willingness to work together to eliminate main obstacles for business development.

**Q4**

- EBA continued its Public-Private Dialog to resolve Reference Price (transaction value method) issue, which was identified as one of the most important for EBA members and majority of companies operating in Armenia. EBA had its first success story on this matter, however continues to follow up and keep the focus on the further development.
- EBA developed European Business Association Exploratory Study report 2016 on the 'Main Business Impediments in Armenia'. Main objective of the study conducted by the EBA was to reveal major impediments of business activity in Armenia, to raise those issues at the public-private level and to conduct corresponding joint actions for overcoming those challenges.
- EBA together with the European Delegation to the Republic of Armenia conducted a meeting for its members and Ann-Sophie Dupont, DG Competition (Brussels) to present main competition issues that businesses face in Armenia.
- During Anticorruption coalition meeting with the Representatives of the State Revenue Committee, EBA presented main corruption issues relevant to business environment in Armenia, particularly Corruption in Tax and Customs procedures, Corruption in Public Procurement.



EUROPEAN BUSINESS ASSOCIATION ARMENIA

- a. According to the Article 444, part 7 the provisions on dividend taxation of foreigners by income tax will enter into force since January 1, 2017 and the law will be applied to the dividends declared after January 1, 2017, and for the RA citizens dividends declared after January 1, 2018 which means that the dividends may be generated in the previous years but taxed if declared after January 2017. EBA presented its position that the Law cannot be applied retrospectively and to remove the distinction is done based on the citizenship criteria. EBA suggested to apply the law on the dividends generated by the results of 2017 and the subsequent years. The suggestion has been agreed in the Council and the secretariat of the Council prepared draft amendment in the Tax Code. The initial draft has been circulated among members of the Council and shall be presented to GoA.
- b. The income tax rate for dividends of foreigners decrease to 5% as in the case of RA citizens. The suggestion has been justified by the declared policy of GoA to attract FDI and to provide the foreign investors at least the same favorable conditions as defined for the RA citizens. EBA also presented the tax rates in some comparable CEE countries and Eurasian Economic Union. The Council discussed the proposal and argued that the 45 double taxation treaties partially cover the issue and that the diversified and high rates are used in international practice, especially in the EEU.
- c. According to Article 109, part 3 the profit from dividends is considered as received on the June 30<sup>th</sup> of the tax year following the reporting year unless by the decision of the meeting of shareholders on allocation of dividends at the earlier date. That means the law automatically applies the June 30 date for the purposes of profit tax calculation regardless the dividends actually are allocated or not. The Council members agreed to delete the provision. The corresponding amendment to the Tax Code has been prepared by MoF and circulated among the Council members. With regard to the draft EBA presented its written opinion and suggested the corresponding deletion of the Article shall have the retrospective force otherwise it's already June and the businesses will face the problem on June 30<sup>th</sup>. The suggestion is justified by Constitution, Article 42, according to which the legal act improving the legal status of the person, eliminating or mitigating the responsibility may be applied retrospectively if it is defined by that act.
- d. In addition to the above mentioned overpayment issue, a type of overpayments are 1% quarterly minimum profit tax that businesses were obliged to pay according to the previous legislation. If the minimum profit tax was more than the annual tax liability, the offset has been done for the future years profit tax liability. Currently, the Tax Code does not allow the offset of the remaining amounts for the profit tax liabilities after January 2017.

## **FREE BORROWINGS**

During the sessions of the Council SRC representative expressed its concern about the interest free borrowings provided by affiliated persons to the company and tax avoidance schemes related to dividends. EBA presented general international experience about the issue. MoF prepared amendment to the Tax Code according to which the provision of the interest free borrowings or the borrowings with the interest lower by 50% of the CBA defined interest rate are reconsidered as dividend. EBA presented its written opinion that the prescribed approach not well known in the international practice. Another argument is how the reconsideration will be formulated in the accounting. The EBA presented the common international practice related to use of the arm length principle as well as the ratio approach. As the transfer pricing rules entering into force in January 2018, they may be applied to these situation. In addition the ratio approach is more concrete and widely used. EBA also suggested to define ratio for the maximum debt regarding the affiliated persons instead of the current suggested approach.

## **IMPROVEMENT OF DOING BUSINESS RANKING**

By the request of the Ministry of Economy, EBA presented its proposals on activities to improve the Armenian ranking in Doing Business, particularly for paying taxes indicator

- a. To introduce and implement a deduction system for the unified income tax in order to smooth the negative influence of the increase of the unified income tax rates prescribed by the new Tax Code.
- b. To introduce and implement the efficient and effective system for collection of property tax taking into consideration the cases of property tax avoidance through splitting one property into different properties as well as the procedure of property valuation which decreases the taxes for luxury property in multiple times.
- c. To provide profit tax exemption for 5 years to the Fortune 500 companies in case of making investments in Armenia.

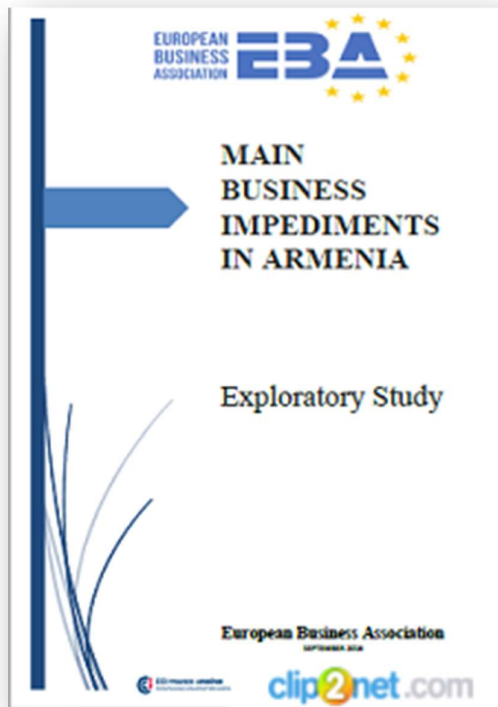
EBA presented also number of proposals related to the Trading across Borders, starting a business and getting credit indicators.

### **Advocating the concrete issues raised by member organizations at state authorities**

During the reporting period EBA proceeded to solve the 7 issues raised by companies. The issues are related to the tax and customs regulation area. The issues has been raised with tax and customs authorities and Yerevan municipality (related to local taxes). One issue

is in the court process so the intervention of EBA is restricted. One issue related to customs procedures has been solved and the others are in the process.

## EBA'S MAJOR ACCOMPLISHMENTS



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### **MAIN BUSINESS IMPEDIMENTS IN ARMENIA, EXPLORATORY STUDY**

European Business Association conducted exploratory study 'Main Business Impediments in Armenia' with the main objective to reveal major impediments of business activity in Armenia, to raise those issues at the public- private level and to conduct corresponding joint actions for overcoming those challenges.

For the purpose of this research, a semi-structured questionnaire was administered to sample of 140 selected businesses throughout Armenia. Respondents were mainly asked to identify those major challenges and difficulties that they constantly face in their business activity, and which impede the growth and development of their companies.

Study results witness that the MSME representatives' perceptions of the overall state of the business environment of the Armenian economy are quite critical, especially in such areas as Capability to fairly run business, Customs & Tax fees and procedures, Competitive environment and Access to finance.

[DOWNLOAD THE FILE](#)

[http://eba.am/wp-content/uploads/2016/11/EBA\\_MAIN-BUSINESS-IMPEDIMENTS-IN-](http://eba.am/wp-content/uploads/2016/11/EBA_MAIN-BUSINESS-IMPEDIMENTS-IN-)

[ARMENIA-Exploratory-Study\\_2016-ENG.pdf](#)

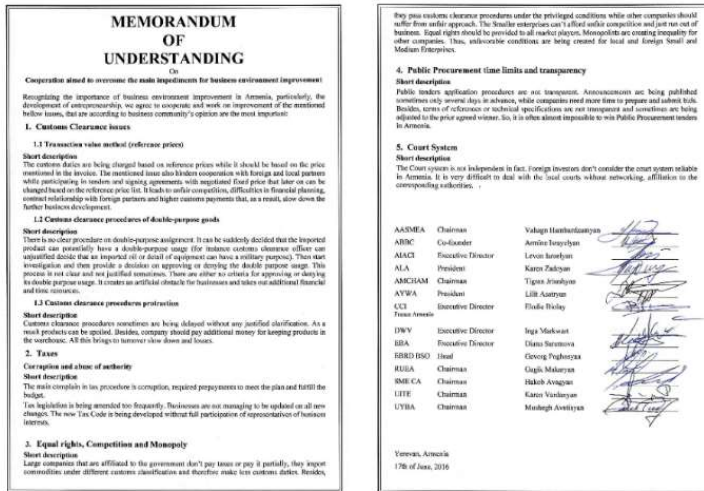


## “Business Perspectives, Impediments and Opportunities in Armenia” Business Forum

On July 7 European Business Association jointly with the Business Community and the European Diplomatic Community in Armenia conducted a business forum on “Business Perspectives, Impediments and Opportunities” for foreign and local companies/investors doing business in Armenia. More than 140 participants were present at the event.

His Excellency Prime Minister Hovik Abrahamyan, His Excellency Ambassador, the Head of the European Union Delegation to the Republic of Armenia Mr. Piotr Antoni Świtalski, Minister of Economy Artsvik Minasyan, Head of the State Revenue Committee Hovhannes Hovsepyan and Director of Armenian Development Foundation Garen Mikirditsian attended the forum and conducted active discussions and answered questions of business representatives.

European Business Association presented main impediments in Armenia, particularly: Tax, Customs, Public Procurement, Monopoly, Equal Rights, Fair Competition issues and the judicial system issues in Armenia. The opportunities for improvements and potential solutions of those issues were discussed. Prime Minister confirmed the willingness of the Armenian Government to cooperate and assist in the process of business environment improvement. The importance of developing the Public-Private Dialogue platform in Armenia was highlighted. Representatives of European Business presented their organizations and shared experience of doing business in Armenia as well as provided advices for business environment improvement.



## MEMORANDUM OF UNDERSTANDING BETWEEN 14 BUSINESS ASSOCIATIONS

14 leading Business Associations of Armenia have signed Memorandum of Understanding. The main objective of MOU is to emphasize the most important areas for business environment improvement in Armenia and to demonstrate willingness to work together for the elimination of the major obstacles for business development. The central subject of the Memorandum focuses around issues in the five major areas that, according to the business community, hinder business development in Armenia:

1. Customs Clearance procedures
2. Tax administration system
3. Equal rights, Competition and Monopoly
4. Public Procurement time limits and transparency
5. Judicial system

## Revenue Administration Workshop

In November 2016, European Business Association initiated a round table discussion on the awareness campaign and main topics in the new Tax Code that are related to businesses as well as updates on the current and future amendments in the customs regulations. More than 50



German, French, British, Italian, Swedish, Swiss, Armenian and other business representatives attended the round table discussion. Head of Administration of the Methodology, Procedures and Service Department of the State Revenue Committee, Mr. Arman Poghosyan presented main topics in the Tax Code that are relevant to local companies and foreign investors. He also provided clarifications to those issues that were critical for foreign investors. USAID TRP tax expert Ms. Anzhela Mesropyan presented the chapter of the new Tax Code on transfer pricing. Head of Customs Supervision Department Mr. Gevorg Saghoyan presented current and upcoming activities on improvements, amendments of customs clearance procedures, Eurasian Economic Union issues and transit procedures. Business representatives pointed out the importance of such awareness campaigns in the scope of new legislative changes. More sessions and discussions on the new Tax Code are planned to take place in 2017.





## FOREIGN INVESTMENT CLIMATE IMPROVEMENTS PARLIAMENTARY HEARINGS

In December 2016, the European Business Association attended Parliamentary hearings concerning the Foreign Investment climate improvement issues at the National Assembly of the Republic of Armenia. European Business Association executive director Diana Sarumova made a speech and emphasized main impediments for the Investment Climate improvement in Armenia, suggesting constructive solutions on specific issues, promoting the interests of those foreign companies that are already operating in Armenia.

The need for equal rights and fair competition were highlighted as crucial for existing and potential foreign investors, as well as the importance of transparent judicial system to assure investors' confidence. Several European companies that are now experiencing troubles in doing business in Armenia have been mentioned and it was suggested to organize follow up meetings to identify potential solutions (tax penalty issues of Intracom, Coca-Cola, Carrefour, Orange and Sar Capital). On behalf of EBA and its members that have been also invited to the Parliament, the gratitude was extended to the Armenian Government for its willingness to participate in the public-private dialog and readiness to collaborate and find mutual solutions.

## In the scope of GIZ project funded by European Union EBA Armenia, UITE and ALA in consortium held a round table discussion to raise awareness on Tax reforms and the main impediments of the New Tax Code



European Business Association Armenia, Union of Information Technology Enterprises and Armenian Lawyers’ Association (Consortium) conducted the “Tax Reform Awareness and main impediments of the New Tax Code” discussion within the framework of the “**Evidence-based Advocacy for Reform**” project Funded by EU.

Given the importance of the Public-Private Dialogue Platforms the discussion is aimed to raise awareness on the New Tax Code and its impediments for businesses, as well as to provide opportunities for the representatives of European business community to get necessary clarifications and updates on tax reforms related to businesses from corresponding officials and experts, who has attended the Round Table.

The CEO of the Union of Information Technology Enterprises (UITE) Mr. Karen Vardanyan, the Head of Administration Methodology, Procedures and Service Department of the State Revenue Committee of Armenia Mr. Arman Poghosyan and the Team Leader of the Private Sector Development South Caucasus from the Support to SME Development in Armenia (EU-SMEDA) Ms. Eva Näher welcomed attendees of the event.

The Head of Administration Methodology, Procedures and Service Department of the State Revenue Committee of Armenia Mr. Arman Poghosyan presented the legislative reforms in the tax sphere of Armenia. Representative of the European Business Association in Armenia (EBA Armenia) Vardan Marutyan made a presentation on the dividend tax, technical mistakes, transition from the specific to the general taxation system, applying of VAT in the tourism sector. Arkadi Sahakyan from the Union of Information Technology Enterprises (UITE) spoke about the issue of the levying of VAT on the border, as well as presented the RA Law “On the state support to the IT sphere”. Representative of the Union of Lawyers Association of Armenia (ALA) Mariam Zadoyan had a speech on income tax, turnover tax and Tax credit overpayments and presented related risks and issues. Senior Tax Manager of the KPMG Armenia had a presentation about the new RA Tax Code and the regulation of labor relations.

During the discussion various issues of the New Tax Code related to business were presented and explained to the representatives of the business community. Both local and foreign companies, as well as the representatives of BSO’s, expressed their standpoints on the updates of tax legislation and received necessary clarifications on the tax legislation topics regarding sustainable development of business, investment climate improvement in Armenia.

The “Evidence-based Advocacy for Reform” project is implemented in cooperation with a consortium formed by the European Business Association, Union of Information Technology Enterprises, Armenian Lawyers’ Association (Consortium), in the framework of the “Support to SME Development in Armenia” (SMEDA) project, which is co-funded by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ Private Sector Development in South Caucasus Programme.



### **The EBA Armenia, UITE and ALA held the discussion of the current risks in Customs Sphere and highlights of the new Customs Code**

**The European Business Association Armenia, Union of Information Technology Enterprises and Armenian Lawyers’ Association** in consortium held a round table discussion of the Current Risks in Customs Sphere and Highlights of the new Customs Code.

The EBA Armenia, UITE and ALA (Consortium) conducted the “**Current Risks in Customs Sphere and Highlights of the new Customs Code Discussion**” discussion in the framework of the “**Evidence-based Advocacy for Reform**” project Funded by EU.

The Executive Director of the European Business Association in Armenia, Ms Diana Sarumova stressed the importance of raising awareness on the new Customs Code, as many find it difficult to even find the text of the new Customs Code and learn more than 1000 pages of the document.

Representatives of the State Revenue Committee noted that Armenia is currently in a transitional phase. According to them, prior to becoming member of the Eurasian Economic Union, customs procedures were regulated by principles different than those which are being used now after entering the Eurasian Economic Union, as the new Customs Code of the EEU will provide fundamental changes in the field of legislative regulation.

Representatives of the State Revenue Committee responded extensively on the questions of those present at the discussion, mentioning the details of upcoming changes in customs procedures.

Attendees agreed on the importance of business community's active role and the urgency of this kind of events aimed at public awareness on the new Customs Code.

The event provided opportunities for the representatives of business community to get necessary clarifications and updates on Customs regulations and reforms from corresponding officials and experts, who have also attended the discussion.

**The “Evidence-based Advocacy for Reform” project** is implemented in cooperation with a consortium formed by the European Business Association, Union of Information Technology Enterprises, Armenian Lawyers' Association (Consortium), in the framework of the **“Support to SME Development in Armenia” (SMEDA) project**, which is co-funded by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ Private Sector Development in South Caucasus Programme. SMEDA is part of the EU4Business and EU4Innovation initiatives of the European Union.



## Opportunities, Challenges and Path of Mapping Armenia as a World-Class Tourism Destination

The European Business Association (EBA Armenia) and the American Chamber of Commerce in Armenia (AmCham) organized a “Mapping Armenia as a World-Class Tourism Destination: Opportunities, Challenges and Path Forward” forum at the Armenia Marriott Hotel Yerevan.

The event was attended by Deputy Minister of the Ministry of Economic Development and Investment, Mr. John Azizyan, the Head of State Tourism Committee of the RA Ministry of Economic Development and Investments Ms. Zarmine Zeitountsian, Director of USAID / Armenia Mission, Ms. Deborah Grieser, and other representatives of public and private sectors.

The forum was opened by Deputy Minister of Economic Development and Investment, Mr. John Azizyan and USAID / Armenia Mission Director, Ms. Deborah Grieser. Head of State Tourism Committee of the RA Ministry of Economic Development and Investments Ms. Zarmine Zeitountsian presented the development strategy in 2017 and spoke about the opportunities for potential cooperation between government and private sector, where she highlighted the following:

*“Tourism in Armenia in recent years, due to government policies, as well as policy stakeholders in the tourism sector such as public administration, local government and the Armenian Apostolic Church, and the cooperation of the private sector, records a steady and dynamic growth in the number of visitors. At the moment state tourism policy is primarily aimed at the international market and increase access to Armenia’s recognition, as well as the consolidation and continuous improvement of the quality of services”.*

It’s just the first step to the development of Tourism Sector of Armenia. Representatives of Tourism Sector, European, US and local companies are raising issues and getting answers from the Head of State Tourism Committee of the RA Ministry of Economic Development and Investments Ms. Zarine Zeitountsian.



## **EBA Armenia, UITE and ALA raised awareness on the recent legislative changes and related risks in the RA public procurement sector**

**The European Business Association Armenia, Union of Information Technology Enterprises and Armenian Lawyers’ Association** in consortium presented the recent legislative changes and related problems and risks in the Public procurement sector.

Representatives of the EBA in Armenia, UITE and ALA welcomed those presents and outlined the main topics of the further discussion.

Head of Procurement Process Regulation and Coordination Division Mr. Vahe Mahtesyan presented the main thesis of the new RA Law on Procurement and the problems of the formulation process of the State bodies’ needs (procurement items to be purchased). Mr. Mahtesyan introduced the steps to increase the confidence of the companies towards the procurement system and talked about appeal system problems.

Following the presentations by the panelists, the floor was open for questions and comments. Representatives of business community got necessary clarifications and updates on public procurement sector regarding legislative changes and related problems.



## EUROPEAN BUSINESS ASSOCIATION ARMENIA

“The recent legislative changes and related problems and risks in the Public procurement sector” presentation was held in the framework of the “Evidence-based Advocacy for Reform” project Funded by EU.

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## EBA Armenia became a member of European Business Organizations World Wide Network



EBA Armenia became a part of a global network (European Business Organization World Wide Network) – representing 34 countries outside the EU including Australia, Brazil, China, India, Kazakhstan, Korea, Malaysia, Russia, Singapore and others.

<http://www.ebowwn.com/>



## WHISTLEBLOWING PLATFORM DEVELOPMENT

The detection of the business impediments in Armenia will be carried out more effectively through the operation of the new platform for the whistle-blowers in the scope of “Evidence-based Advocacy for Reform” project.

European Business Association jointly with the Union of Information Technology Enterprises (UITE) and the Armenian Lawyers’ Association (ALA) launched the whistle-blowing platform project. The platform, providing 100% confidentiality for the whistle blowers, is a great opportunity for businesses to voice their problems. A whistle-blowing website will enable businesses to register corruption and other issues, which hinder their business development as well as to provide corresponding solutions for business environment improvement.

The Project for the Whistleblowers Institute Development in the Business Area of Armenia is being implemented under the GIZ's “The evidence-based reforms advocacy” grant agreement financed by EU.





– challenges in the tourism sector

## **EBA has initiated a meeting for its Members with the Prime Minister Mr. Karen Karapetyan.**

Head of the European Union Delegation to the Republic of Armenia Mr. Piotr Świtalski has also attended the meeting.

It is the best examples of the Public-Private Dialogue Platform that gives an opportunity to raise important issues directly to the Prime Minister and get the appropriate solutions.

EBA success story has been mentioned as a result of PPD activity, particularly solution of the issues regarding reference prices' and taxation of dividends, which will be set at the same rate for European businesses as that for the local ones. Other issues have been also mentioned and they are being follow up by the EBA, particularly:

- state procurement
- fair competition



## The first Annual Joint Meeting of the European Business Association Armenia took place.

The Prime Minister of the Republic of Armenia has attended the Annual Joint Meeting and made an opening speech. He emphasized importance of activity of the European and Foreign Investors in general and one more time mentioned that the Government is ready to cooperate for business environment improvement. Head of European Union Delegation to the Republic of Armenia Mr. Piotr Switalski became an honorary president of the European Business Association according to the Board Decision.



The president of EBA Levon Israyelyan expressed the gratitude to the Prime Minister and EU Ambassador for active cooperation and support. The EU Ambassador congratulated the EBA for a successful previous year leading to concrete changes for the business environment and welcomed the Prime Minister's open door policy for European businesses.

EU Member and non-member states HOMs and the whole European Business community has also attended the meeting.

## EBA PUBLIC-PRIVATE DIALOGUE IN ACTION

**EBA became a Board member of the SME Development Council under the Government of RA**



**EBA became a member of Income Policy improvement council under the Ministry of Finance**



**EBA became a Board member with a voting right of the Revenue Administration reform Council under the State Revenue Committee**



## Other PPD Activities

**EBA had discussion with the State Commission for the Protection of Economic Competition of Republic of Armenia.**



**EBA is initiating closed meeting with Customs Authorities to discuss potential Development Issues**



**Work with the Ministry of Transportation on the issues relevant for transportation companies**



## Professional Networking and Seminars

**Business Lunch of EBA Members and EU Ambassador**



**Business Dinner with the Ambassador of Sweden and Swedish Businessmen in Armenia**



**Armenian-Czech Cooperation Networking event**



**Eastern Partnership Workshop**



**Business lunch with the Head of Customs Supervision Division Head Mr. Gevorg Saghoyan and EBA direct members.**





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