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# Government Cuts Cash Register Prices

By Hovannes Shoghikian

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Responding to complaints from small and medium-sized businesses, the Armenian government on Thursday considerably lowered the price of a new and more expensive type of cash registers which they have to install by the end of this year.

The government ordered their gradual introduction last year after the State Revenue Committee (SRC) claimed that many businesses tamper with their cash registers to underreport their sales. It said the new devices will correctly calculate and record transactions subject to value-added tax (VAT), the single largest source of state revenue.

The country's 1,000 or so largest enterprises paying VAT were the first to purchase and install them by January 2013. Tens of thousands of other, smaller business were initially supposed to do so by November 1. Many of them have complained in recent weeks that the new cash registers are too expensive for them.

A state-run agency authorized by the government has until now offered such devices to all businesses for almost 370,000 drams (\$915) apiece. Critics say that the government should have differentiated between large companies boasting millions of dollars in sales and smaller firms with more modest turnovers.

Prime Minister Tigran Sarkisian accepted these arguments at a session of his cabinet held in the eastern town of Gavar. The government decided to lower the price to 280,000 drams for companies with an annual turnover of up to 500 million drams (\$1.2 million). It said smaller firms that sold up to 58.4 million worth of goods and services last year will have to pay only 150,000 drams.

The government pledged to refund those corporate taxpayers that have already paid more for the new cash registers. It also extended by one month, until December 1, the deadline for their purchase and installation.

'We had promised that we will provide small and medium-sized enterprises with cheaper cash registers. We are now fulfilling that promise,' said Sarkisian.

'We diversified the price to make it more affordable for small businesses,' Vakhtang Mirumian, the deputy head of the SRC, told journalists.

The Armenian authorities began gradually introducing cash registers about a decade ago amid strong resistance from small traders and service providers across the country. The process, which led to the virtual abolition of fixed taxes levied from them, was completed in 2008. The SRC says that tax evasion in the country has significantly decreased since then.

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