

# THE REPUBLIC OF ARMENIA LAW

## CASH DESK OPERATIONS

### CHAPTER 1. GENERAL\*

#### *Article 1. Purpose*

This law shall govern the implementation of cash desk operations in the Armenian currency and foreign currency in the territory of the Republic of Armenia, and the relations arising out of storage of cash.

#### *Article 2. Scope*

1. This law shall extend over legal entities, government departments and other institutions, their affiliations (branches, representations) and foreign institutions' affiliations (branches, representations) (hereinafter referred to as 'organizations'), as all they function in Armenia.

2. This law shall not extend over banks and their affiliations (branches, representations) and foreign banks' affiliations (branches, representations), parties engaged in implementing foreign currency purchase and sale operations, and credit organizations.

#### *Article 3. Legislation on cash desk operations*

The legislation on cash desk operations shall comprise this law and the Republic of Armenia Government resolutions, as and when determined under this law.

#### *Article 4. Definitions used*

The definitions below are used in this law to denote as follows:

**cash** – the Armenian currency and foreign currency expressed as banknotes or coins

**cash desk operation** – pays-in and pays-out of cash to/from an organization, and the flows of cash between cash desks and parties accountable

**cash desk** – the vault (storeroom) provided for acceptance, storage and dispensation of cash

**cashier** – an employee of an organization in charge of accepting (crediting) and dispensing (debiting) cash to/from the organizations' cash desk

**imprest money** – money in cash given to members of staff or management of an organization to make payments while in business assignment or on behalf of the organization

**party accountable** – a member of staff or management of an organization who has been given imprest money to make payments while in business assignment or on behalf of the organization

**cash book** – a ledger which records the residual of cash at the beginning and end of the period, and the pays-in and pays-out of cash to/from the cash desk.

### CHAPTER 2. CASH DESK OPERATIONS AND LIMITATIONS

#### *Article 5. Cash desk operations*

1. The cash desk operations shall be implemented through the cash desk and/or using efforts and resources of the parties accountable.

2. The Republic of Armenia Government shall determine the procedure for implementation of cash desk operations, including documentation relevant to such operations and running of cash book.

3. Where cash received from a bank is to be credited to an organization's cash desk, such crediting shall be made at least on the day following withdrawal of cash from the bank's account. Where cash dispensed from a cash desk is to be credited to an organizations' bank accounts, such crediting shall be made at least on the day following withdrawal of cash from the cash desk.

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\* RoAL – 501-N, adopted on 26/12/2002, entered into force on 05/03/2003. Changes and amendments to the Republic of Armenia Law on Cash Desk Operations were included under a respective Armenian law 195-N (30/12/2004).

**Article 6. Limitation to cash payments**

1. Limitation shall be applied to cash payments, as follows:

a) where goods, services, and works are purchased at lump sum, the maximum amount of cash payable shall be:

Limitation (quantifiable as thousands of dram)	Limitation (enforceable from)
500	01.07.2003
300	01.01.2004
300	01.01.2005

b) the maximum amount of cash payable for goods (fixed assets, non-tangible assets and other assets), services, and works within a month shall be:

Limitation (quantifiable as millions of dram)	Limitation (enforceable from)
5	01.07.2003
3	01.01.2004
3	01.01.2005

2. For the meaning of applying of limitation as specified herewith, payment in cash shall involve all payments, including advances and imprest money-based payments, made for the purchase.

3. The limitations established herewith shall not extend over: i) payments of salary, salary equivalents, benefits, stipends and other similar pays; ii) payments for business assignment and field assignments; iii) payments for making representative expenditures; iv) payments for services and works done for an organization based on civic and legal contracts in writing signed with natural persons, and payments unrelated to entrepreneurial activity by natural persons; v) payments for purchase of agricultural products from parties engaged in agro-business by purveyors of agricultural products, based on contracts in writing signed with such parties; vi) payments for goods of public importance, in allotment determined by the Republic of Armenia Government, and for relevant services and works; and vii) funds required for emergency payments as determined by the Republic of Armenia Government.

*(this Article 6 changed as of 24.12.2004, under the Republic of Armenia Law No. 195-N)*

**Article 7. Limitation to imprest money**

1. Imprest money shall not be given to the same person as long as the use of imprest money previously provided has not been reported by him/her to the party in charge of accepting such reports in the organization, except when the time of submitting such report has not elapsed.

2. The Republic of Armenia Government can apply limitation to timeframes for imprest money given by the organization, as follows:

- a) a maximum timeframe for using imprest money while in business assignment or giving that imprest money back to the organization's cash desk or bank account; and
- b) a maximum timeframe for giving unused part of imprest money back to the organization's cash desk or bank account.

3. Limitation applied to the imprest money, as specified in parts 1 and 2 hereinabove, shall not extend over organizations which have not more than two persons under employment.

**Article 8. Other limitations to cash desk operations of public institutions**

Where there are other limitations under this law or the Republic of Armenia Government resolutions applied to cash payments and imprest monies used by public institutions, such other limitations shall be applied in lieu of those ones established under Article 6 and article 7 hereinabove.

**CHAPTER 3. STORAGE OF CASH**

**Article 9. Organization management's liability to storage**

Head of executive body of an organization shall be liable for safe storage of values available in the organization's cash desk/s and for safe transportation thereof, unless such liability is charged with another party as decided by the organization's management.

**Article 10. Cashier liability to storage**

1. The cashier shall accept (credit) cash to the organization's cash desk and dispense (debit) cash from the organization's cash desk.

2. The cashier shall be disallowed to delegate his/her liability to other parties without order/decision by the organization's management.

3. Liability of the cashier shall not be delegated to the employees of the organization who are entitled to put signature on cash documents, except for organizations which have not more than three persons under employment.

#### **CHAPTER 4. LIABILITY FOR INFRINGEMENT**

##### ***Article 11. Liability for infringement of legislation on cash desk operations***

Organizations shall be held liable for infringement of requirements of legislation on cash desk operations, as determined under this law.

##### ***Article 12. Non-adherence to limitation to cash desk operations***

Failure to adhere to the limitation to cash payments, as established in Article 6 hereinabove, shall entail a penalty chargeable at five percent of the sum exceeding the allowed extent of cash payments (a penalty amount), but not less than 50-fold of the minimum salary and not more than 1000-fold of the minimum salary. Another failure to adhere to the limitation within a year after disclosure of non-adherence shall entail a penalty chargeable at ten percent of the penalty amount, but not less than 100-fold of the minimum salary and not more than 2000-fold of the minimum salary. The penalty, as provided for herewith, is subject to payment to the state budget within a ten-day period upon disclosure of any given infringement.

##### ***Article 13. Non-records in and improper running of cash book***

Failure to record cash desk operations in the cash book shall entail a penalty chargeable at 50-fold of the minimum salary. Another failure to make records in the cash book within a year after disclosure of non-adherence shall entail a penalty chargeable at 100-fold of the minimum salary.

Improper running of cash book, other than the rules provided for under respective legislation, shall entail a penalty chargeable at 20-fold of the minimum salary. Another misconduct of cash book, other than the rules established, within a year after disclosure of non-adherence shall entail a penalty chargeable at 50-fold of the minimum salary.

The penalty, as provided for herewith, is subject to payment to the state budget within a ten-day period upon disclosure of any given infringement.

##### ***Article 14. Oversight of adherence to legislation***

Tax authorities shall be responsible for oversight of adherence to the requirements of legislation on cash desk operations.

The penalty, as specified in this law, shall be imposed under decision of management of tax authorities. Where penalty is not paid within a ten-day period, the sums due shall be charged, upon the tax authorities' claim, to the benefit of state budget.

#### **CHAPTER 5. FINAL**

##### ***Article 15. Entry into force***

This law shall enter into force one month after its official publication.

***Robert Kocharyan,  
President,  
Republic of Armenia***

***28 January, 2003. c. Yerevan***