



For a Better Business Environment

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AMCHAM HELD EXTRAORDINARY GENERAL MEETING



On January 30, 2015, AmCham held an Extraordinary General Meeting (EGM) in the Erato hall of the Armenia Marriott Hotel. Out of 56 regular members, 13 members attended the EGM. The total number of voting members, including the proxy votes, was 23. U.S. Embassy representatives s. Elizabeth Hanny (Economic and Commercial Officer) and Mr. Tigran Tananyan (Commercial Assistant) were also present at the meeting. The main item on the agenda was the election of the First Vice President for the AmCham Board of Directors.

AmCham President Mr. Tigran Jrbashyan called the meeting to order, after which all members introduced themselves. The president then proceeded with the announcement of the names of proxies, the explanation of the rules and procedures for voting, and introduced the teller, AmCham staff member Armine Davtyan.



Mr. Jrbashyan presented the situation behind the elections, informing the General Meeting that AmCham First Vice President David Bequette renounced his position in AmCham Board of Directors and discontinued his membership with AmCham. He also informed the General Meeting that the only candidate eligible for the position, who expressed a willingness to serve on AmCham Board, was Mr. Arthur Hovanesian of Synergy International. The AmCham President inquired if there were other members, who satisfied the AmCham Charter criteria for the mentioned position and who would be willing to propose their candidacies. As a result, only Mr. Hovanesian's candidacy was put forward for the election. Mr. Hovanesian introduced himself, presented his vision of the future development of AmCham and took questions from members.



The AmCham President then spoke about the activities of AmCham in recent months and introduced future plans. The General Meeting discussed such issues as Armenia's joining the Eurasian Union and its implication for business and AmCham participation in the Tax Council under the Minister of Finance. Meanwhile, the counting of the votes was completed and Mr. Arthur Hovanesian was elected as the First Vice President unanimously. The EGM was announced as adjourned.



AMCHAM PARTICIPATES IN ANNUAL SOUTH CAUCASUS INFRASTRUCTURE & NEW ENERGY INVESTMENT SUMMIT AND MEETS AMCHAM GEORGIA

On February 5-6, 2015, AmCham Armenia President Tigran Jrbashyan and Executive Director Diana Gaziyan participated in the Annual South Caucasus Infrastructure & New Energy Investment Summit, which took place in the capital of Georgia, Tbilisi. The conference featured high level speakers and guests from all over the region. The topics covered included energy infrastructure in the Caucasus, logistical issues, and transportation.

During their stay in Tbilisi, AmCham President and Executive Director also met with their colleagues from AmCham Georgia, namely Sarah Williamson (President) and George Welton (Executive Director). The main purpose of the meeting was to discuss the potential for future cooperation and to strengthen the links between two AmChams. The conversation was both informative and insightful. The parties shared their views on the economic development in both countries and discussed the current economic and business relations between Armenia and Georgia. The general consensus was that there could be a lot done to boost these relations between the two countries irrespective of the fact that each country selected its own economic model by joining different economic unions, and the role of both AmChams here was recognized as significant. All participants agreed that this fact could even open new horizons of economic and business cooperation between Armenia and Georgia. They also discussed the possibility of holding a joint event in the future, which would unveil some new cooperation perspectives between the private sector representatives in Armenia and Georgia.

MEETING WITH THE CHAIRMAN OF STANDING COMMITTEE ON ECONOMIC AFFAIRS OF THE ARMENIAN NATIONAL ASSEMBLY, MR. VARDAN AYVAZYAN

On February 12, the AmCham President and Executive Director met with the Chairman of Standing Committee on Economic Affairs of the Armenian National Assembly, Mr. Vardan Ayvazyan. The President and Executive Director introduced the mission of AmCham and its activities. In turn, Mr. Ayvazyan talked about the work of the Committee and the sphere of activities it covered. The conversation focused on the economic situation in the country in the face of its joining the Eurasian Economic Union and sanctions on Russia. Mr. Ayvazyan's outlook in terms of the perspectives of Armenia was rather positive. According to him, Armenian businessmen, especially manufacturers, could make use of the Russian market in a more beneficial way under the current circumstances. After that, AmCham representatives talked about issues AmCham members faced while conducting their activities in Armenia. Both parties agreed that there were many areas of common interest and decided to continue cooperation on a more institutional basis. It was agreed that AmCham would be invited to the relevant Committee discussions, where it would present the position of its members on various issues under the jurisdiction of the Committee. Also, Mr. Ayvazyan eagerly agreed to serve as a speaker at one of the future AmCham events.

USRBC AND AMCHAM IN RUSSIA HELD A SPECIAL EVENT WITH OFFICIALS FROM EEC



The U.S.-Russia Business Council (USRBC), together with the American Chamber of Commerce in Russia, held a special business event with officials from the Eurasian Economic Commission (EEC) on Wednesday, February 18, 2015, in Moscow. Representatives of the private sector and relevant EEC officials participated in the event. The meeting was led by Mr. Viktor Khristenko, the Chairman of the EEC.

The discussion was focused on the topics of the EEU customs cooperation (major EEU customs rules, the intersection of the customs rules and authorities with the newly integrated EEU rules and authorities) and technical regulations (EEU technical regulation rules, opportunities and potential for the EEU market). AmCham Russia, USRBC, AmCham Armenia, AmCham EU and AmCham Kazakhstan made their remarks on the EEC and its operation in general.

AmCham President Mr. Tigran Jrbashyan raised a number of issues connected with very different aspects of the transition to the Eurasian Economic Union (EEU).

One of the issues concerned the technical difficulties of the return of the Value Added Tax (VAT) on the border. This is a serious obstacle especially for Armenian importers and exporters, since Armenia does not have an actual border with Russia, and the issue with the VAT returns is being regulated by the tax inspectorate.

The second question concerned the authenticity of Armenian conformity certificates. Although Armenian certificates of conformity are acceptable in Russia, the Russian customs authorities require conformity certificates with the Russian standards from Armenian exporters.

It is expected that the issue with the certificate of conformity will be solved by the summer of 2015, when the list of exporting products from Armenia, the certificate of conformity of which are accepted by other parties, is finalized.

The third question Mr. Jrbashyan raised was that the possession of information of the participants of the EEU is not on a respectable level, in a sense that:

- on the “non-central” borders the customs authorities are unaware of the EEU rules, standards and requirements;
- businesses are not properly aware of the opportunities and potential of the EEU market and the benefits it may bring (for instance, the possibilities of the localization of production within the countries of the EEU).

The last major question addressed by Mr. Jrbashyan was the importance of the coordinated monetary policy between the participating countries of the EEU, since a devaluation of national currency, floating rates and the withdrawal of a currency cap among any of the EEU participating countries could lead to serious problems for other countries/exporters.

AMCHAM HELD A MEETING WITH THE MINISTRY OF FINANCE

Together with the Ministry of Finance, AmCham held a meeting to cover issues related to the new tax code and its implications for business in terms of Armenia’s joining the Eurasian Economic Union (EEU). The meeting took place on Friday, February 20 at the Ararat Customs Office Building. The Ministry of Finance was represented by the Head of Department of State Revenue Policy and Administrative Methodology, Arman Poghosyan, and AmCham was represented by its President, Tigran Jrbashyan.

Mr. Poghosyan spoke about the ongoing work on the new tax code. As he said, the work will be underway for between 1-1.5 years, since it requires a substantial amount of interaction both within the Armenian government and with the business community. The code will be presented for public discussion with private sector representatives, relevant associations and institutions.

Mr. Poghosyan expressed his willingness to have more frequent meetings with the business community to keep the latter updated on the progress and to hear opinions and suggestions. He later introduced the basic structure of the code.

Mr. Poghosyan spoke about the projects that are initiated in parallel with the formation of the tax code, such as the adoption of the horizontal monitoring policy, the establishment of a unified treasury system and the transfer pricing adjustments.

The meeting was followed by a question and answer session regarding both the overall tax policy and the technical issues of the EEU.



Japan Tobacco International: Employer of Choice

*Top Employer Europe 2015, Top Employer Armenia 2015,
Top Employer Asia Pacific 2015*

Employer of Choice – that is how society titles outstanding businesses and corporations on the global labor market, attracting and retaining talented employees by high corporate culture and good working conditions.

In Japan Tobacco International (JTI) people grow as the business grows. Top priority is placed on ensuring employee engagement: understanding of business direction and objectives, so that potential employee can plan career development, reach higher goals and greater achievements.

Being a member of the Japan Tobacco Group of Companies (JT), a leading international tobacco product manufacturer, Japan Tobacco International was formed 15 years ago. Nowadays the company has over 27,000 employees, and operating in more than 120 countries worldwide, it is a place for prospering careers for diverse people of over 100 nationalities. As a truly international business, JTI, headquartered in Geneva, Switzerland, has 364 offices across the globe.

In Armenia JTI started operating in 2001 and currently employs almost 50 people. JTI's core brand portfolio in Armenia is represented by five brand families: Winston, Camel, Sobranie, LD and Monte-Carlo.

For its dedication to the employee development, outstanding offerings, exceptional care and excellent working conditions, JTI is recognized as Top Employer Europe 2015, Top Employer Armenia 2015 and Top Employer Asia Pacific 2015.

Primary and secondary benefits, working conditions, training and development, career development and culture management are the particular offerings that brought the Top Employer exclusive award to JTI. Organizational strategy, HR function, Communication,

Diversity Management, Corporate Social Responsibility, Talent Management, Employee Development Performance Management, Rewards and Recognition, Working Conditions and Well-being of JTI in Armenia have been thoroughly assessed during Top Employer certification process.

Being recognized as Top Employer, JTI stands out as an Employer of Choice. This is beneficial for all stakeholders and, in particular, for current and prospective employees.



Celebrating this achievement, JTI strives at excellence of working conditions, offering to diverse team of employees interesting trainings, international experience and friendly and collaborative work environment.

Top Employer Certificate is issued by the Top Employer Institute. Headquartered in Netherlands, the company, previously known as CRF Institute, has recognized Top Employers around the world since 1991.

The Top Employers Institute globally certifies excellence in the conditions that employers create for their people. Optimal employee conditions ensure that people develop themselves personally and professionally. This in turn enables companies to grow and develop.

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**Inna Yakovchuk,
HR Director Caucasus:**

"We believed this title would help us in strengthening our Employer Branding positioning, showing to our existing and potential employees and all stakeholders that we are responsible and sustainable employer, and we value our employees as the best asset of our company."

Certification, as the process, proved to be very effective method for comparing our practices and approaches with the leading top companies in the world and getting better understanding of the areas for improvement."

Top Employer certification process has been practiced in many JTI locations globally. However, for us in Armenia it was a fully volunteer action, subject to local discretion, which we treated with pride and responsibility."

How does it feel working in a company that has Top Employer recognition?

**Tovmas Abrahamyan,
Regional Area Supervisor:**

"I am very proud to work for a company that received Top Employer certifications. I always present my business card with the Top Employer logo to our business partners with pride, because it is a true sign of recognition of our success and credibility."

For me personally, my company has always had a great value even without any recognition. But Top Employer award is yet another confirmation of how great employer I have and a real proof that this is a right place to work."

I consider myself as a part of a big JTI family. When you enter the office, "can-do" attitude reaches you from the very first moment; you are working hard to achieve the company's goal that has become your own goal. The development opportunities are so tangible for all employees. Many trainings and workshops are available for all of us. It is a matter of attitude and if you are keen to learn and develop, you are always supported at JTI."

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