

to the Decision of the Government of the Republic of Armenia

No 1521-N of 13 October 2011

## **P R O C E D U R E**

### **FOR SELECTING AND DETERMINING THE QUALIFYING STANDARDS FOR THE ORGANISER OF THE FREE ECONOMIC ZONE**

#### **I. G E N E R A L P R O V I S I O N S**

1. This Procedure (hereinafter referred to as “the Procedure”) determines the procedures and standards for the selection of the organiser of the free economic zone in the Republic of Armenia.
2. The definitions used in this procedure derive from the Law of the Republic of Armenia “On Free Economic Zones” and shall have the same meanings as per the referred Law.
3. The organiser shall carry out its activities in the manner defined by the legislation of the Republic of Armenia, on behalf of the Government of the Republic of Armenia based on the agreement concluded with the Ministry of Economy of the Republic of Armenia (hereinafter referred to as “the authorised body”).

#### **II. P R O C E D U R E F O R S E L E C T I N G T H E O R G A N I S E R**

4. With a view to organising a free economic zone, upon the decision of the Government of the Republic of Armenia, the legal person may be selected as the organiser of the free economic zone, in the following two cases of establishing free economic zones:
  - (1) at the initiative of the Government of the Republic of Armenia;
  - (2) at the private initiative.

5. The selection of the organiser of the free economic zone created at the initiative of the Government of the Republic of Armenia and the conclusion of the agreement shall be carried out in accordance with the following procedure:

(1) following the adoption of the Decision of the Government of the Republic of Armenia “On establishing a free economic zone”, the authorised body shall carry out the selection of the Organiser of the free economic zone in accordance with the procedure defined by the Law of the Republic of Armenia “On Procurements”, applying competitive dialogue procedure;

(2) the Organiser shall be selected upon the evaluation results of bids based on the evaluation standards referred to in Chapter IV of the Procedure;

(3) the authorised body shall send the selection results to the Government of the Republic of Armenia for its approval;

(4) within 30 days after the Decision of the Government of the Republic of Armenia “On approving the Organiser of the free economic zone” enters into force, the Government of the Republic of Armenia represented by the authorised body shall conclude an agreement on organising a free economic zone with the selected organisation.

6. The establishment of a free economic zone at the private initiative, the selection of the Organiser and the conclusion of the agreement shall be carried out in accordance with the following procedure:

(1) With a view to establishing a free economic zone in the territory of the Republic of Armenia at the private initiative, the initiator shall submit a bid to the Government of the Republic of Armenia;

(2) The bid shall comprise the following documents:

(a) the application;

(b) the list and tariffs of services provided by the Organiser;

(c) the description of the free economic zone, the objective of its establishment, main directions of activities;

(d) the location, blueprint of the premises, as well as the design of constructions in case there are any constructions available at the premises;

(e) the business plan, which should be consistent with the standards referred to in Chapter IV of the Procedure;

(3) with a view to evaluating the bid of the private organisation submitted for the establishment of a free economic zone, a standing interagency commission shall be established upon the decision of the Prime Minister of the Republic of Armenia (hereinafter referred to as “the Commission”);

(4) the Commission shall, within 20 days, evaluate the documents included in the bid in accordance with the bid evaluation standards defined in the Procedure, and shall submit a conclusion on the establishment of a free economic zone to the Government of the Republic of Armenia;

(5) The Government of the Republic of Armenia shall consider the issue of appropriateness of establishing a free economic zone and recognising a private entity as the Organiser of a free economic zone, as a result of which the bid shall be either awarded or refused;

(6) the authorised body shall, within 3 days following the rendered decision, communicate to the initiator of the Decision of the Government of the Republic of Armenia;

(7) within 30 working days after the decision of the Government of the Republic of Armenia on establishing a free economic zone and approving the Organiser of the free economic zone enters into force, the Government of the Republic of Armenia represented by the authorised body, shall conclude an agreement on organising a free economic zone.

### **III. STRUCTURE OF THE COMMISSION**

7. The Commission shall comprise 9 persons: the chairperson, secretary and 7 members. The chairperson of the Commission shall be the head of the authorised body, and the secretary shall be the head of the relevant subdivision of the authorised body.

8. The minutes of each Commission sitting shall be taken. The minutes shall be signed by the chairperson of the Commission and by other members having attended the sitting.

9. The sitting of the Commission shall have a quorum, if attended by at least two thirds of the members of the Commission, and in case less than two thirds of the members of the Commission attended, the sitting shall be considered failed and a new sitting shall be appointed. The Commission shall inform all bidders of the day and time of the new sitting.

10. In case of the absence of the chairperson of the Commission, the activities of the Commission shall be managed by any member of the Commission upon the decision of the chairperson.

#### **IV. BID EVALUATION STANDARDS**

11. The following are the bid evaluation standards:

- (1) The compliance of the activities of each potential operator with the objective of establishing a free economic zone;
- (2) the list and tariffs for services provided by the Organiser;
- (3) the amount, purpose and terms of the investments, including the types of investments, whether financial or property;
- (4) the compliance with the requirements referred to in Article 6 of the Law, including engineering design (hereinafter referred to as “the design”) and visual outline, or the provision of grounds for not observing the requirements referred to in Article 6(1)(1) of the Law;
- (5) measures aimed at recognising the free economic zone and branding, including availability of marketing contracts, involving international brands and other operators in the free economic zone and activities aimed at supporting export of the products manufactured and services provided in the free economic zone and expected outputs;
- (6) experience in the field of organising a free economic zone (will be considered as advantage);
- (7) division of obligations between the Organiser and the state, and the extent of involvement of the parties;
- (8) justification of the necessity to establish a free economic zone (only in case of the private initiative);
- (9) environmental assessment;
- (10) the number of jobs to be created by the Organiser and the amount of average salary.

**CHIEF OF STAFF OF THE GOVERNMENT**

**OF THE REPUBLIC OF ARMENIA**

**D. SARGSYAN**