

# Monthly Newsletter On Regulatory and Legislative Changes



JANUARY-FEBRUARY 2025

## Legal Update: Key Legislative Changes in Armenia

### **Amendment to the Tax Code (Law No. HO-473-N, December 5, 2024, effective from December 23, 2024)**

- The corporate profit tax exemption for income generated from the sale of agricultural products has been extended until the 2026 tax year (previously until 2024).

### **Supplements and Amendments to the Tax Code (Law No. HO-474-N, December 4, 2024, effective from January 1, 2025)**

- Clarifications were made regarding the procedures for tax authority assessments.
- New excise tax rates have been established for additives, brake fluids, hydraulic fluids, and other similar products, effective July 1, 2025.

### **Supplements and Amendments to the Tax Code (Law No. HO-491-N, December 4, 2024, effective from January 1, 2025)**

- In invoices for the supply of goods considered movable property, the relevant product classification codes (Foreign Economic Activity Commodity Nomenclature) must be indicated.
- For goods subject to identification labeling, invoices must also include control markings and their quantities.
- The implementation of these requirements will be phased in as per government regulations.

### **Law on On State Support for the High Technology Sector (Law No. HO-498-N, December 4, 2024, effective from January 1, 2025)**

- The main principles of state support for the high-technology sector have been established. The law regulates the system and relations related to the implementation of state support in the sector.

### **Amendments and Supplements to the Tax Code (Law No. HO-499-N, December 4, 2024, effective from January 1, 2025 to December 31, 2031)**

- Expanded tax incentives for entities engaged in high-technology activities, as well as for scientific research and experimental development.

### **Amendments to the Tax Code (Law No. HO-500-N, December 4, 2024, effective from January 1, 2025 to December 31, 2031)**

- The turnover tax rate for income from government-designated high-technology activities has been reduced from 5% to 1%.

### **Amendment to the Tax Code (Law No. HO-19-N, January 22, 2025, effective from March 3, 2025)**

- The minimum amount of debt irrecoverable after entry into force of the judicial act has increased from AMD 100,000 to AMD 300,000.
- This applies to obligations arising after January 1, 2025.

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**Supplements to the Tax Code (Law No. HO-20-N, January 22, 2025, effective from March 14, 2025)**

- Allows corrections to the taxable base of real estate due to registration errors, including inaccuracies in area measurements or other coefficients.
- This amendment applies to tax relationships arising since January 1, 2021.

**Amendment and Supplements to the Tax Code (Law No. HO-21-N, January 22, 2025, effective from March 3, 2025)**

- A warning is issued for the first instance of an incorrect classification code (Foreign Economic Activity Commodity Nomenclature) on a receipt.
- Repeated violations within a year will result in a fine of AMD 50,000.

**Supplements to the Law on Trade and Services (Law No. HO-8-N); Supplements to the Law on Advertising (Law No. HO-9-N); Supplements to the Law on Audiovisual Media (Law No. HO-10-N); Supplement to the Labor Code of the Republic of Armenia (Law No. HO-11-N); Supplements to the Code of Administrative Offenses of the Republic of Armenia (Law No. HO-13-N) (22.01.2025, effective from 14.08.2025)**

- The sale or any other form of distribution of alcoholic beverages and energy drinks to individuals under the age of 18 has been prohibited, including the sale of these drinks through automatic self-service machines and other technical means.
- Energy drinks displayed for sale must be stored on separate consumer shelves with a clear "energy drink" label.
- Restrictions on advertising energy drinks, including the time slots for broadcasting such advertisements and prohibiting improper advertisements have been imposed.
- Administrative penalties are imposed for violations of these legal requirements.

**Amendments and Supplements to the Law on Physical Culture and Sports (Law No. HO-14-N, 22.01.2025, effective from 15.08.2025); Supplement to the Law on Notifying of Activities (Law No. HO-16-N); Supplement to the Law on State Duty (Law No. HO-17-N); Supplements to the Code of Administrative Offenses of the Republic of Armenia (Law No. HO-15-N) (22.01.2025, effective from 15.02.2026)**

- Fitness centers and sports facilities have been defined as registered business entities or individual entrepreneurs offering paid fitness services or engaging in other paid fitness and sports activities (including yoga, pilates, and stretching).
- Specific operational requirements for fitness centers have been set, and such activities are now classified as activities that require notification. This includes establishing annual state fees.
- Administrative responsibility has been established for violations of these legal requirements.
- The Health and Labor Inspection Body of the Republic of Armenia will oversee compliance with these regulations.

**Supplement to the Law on Export Control of Dual-Use Goods, Transit of Such Goods Through the Territory of the Republic of Armenia, and Transfer of Dual-Use Information and Intellectual Property Results (Law No. HO-6-N); Supplement to the Law on Licensing (Law No. HO-7-N) (22.01.2025, effective from 01.07.2025)**

- The law now allows for the publication of a list of goods that were previously subjected to expert examination and determined not to be dual-use or military goods. This facilitates the simplification of customs procedures for such items.
  - The State Revenue Committee will publish a list of products for which it has issued an expert conclusion indicating that they are not considered controlled goods or part of the list of dual-use or military goods. This list will be updated monthly and made available on the Committee's official website by the 10th working day of each month.
  - If changes are made to this list, the Committee will remove any products that are included in the list of controlled goods or military products, and the changes will take effect when the corresponding legal act comes into force.
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**Supplements and Amendments to the Law on Investment Funds (Law No. HO-23-N); Amendments and Supplement to the Civil Code of the Republic of Armenia (Law No. HO-24-N); Amendments to the Law on Central Bank of the Republic of Armenia (Law No. HO-25-N); Amendments to the Law on Combating Money Laundering and Terrorist Financing (Law No. HO-26-N); Supplement to the Law on Currency Regulation and Currency Control (Law No. HO-27-N); Supplement to the Law on State Duty (Law No. HO-28-N)(22.01.2025, effective from 27.02.2025)**

- Several provisions of the Law on Investment Funds now apply to non-public funds, including definitions related to funds, fund status, sub-funds, net asset value calculation, fund establishment and registration procedures, issuance, placement, and redemption of fund shares, as well as fund type changes, restructuring, and liquidation.
  - Managing a non-public fund now requires authorization from the Central Bank of Armenia. The Central Bank will oversee compliance with legal requirements and apply enforcement measures against non-public funds and their managers when necessary.
  - Regulations now cover the pricing in foreign currency of quotation of units in contractual funds.
  - Under the Law on Combating Money Laundering and Terrorist Financing, managers of non-public funds will be subject to enhanced reporting and accountability requirements.
  - A state duty has been established for conducting non-public fund management activities.
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# Changes to the Framework of Government Resolutions

## **Government Resolution on Establishing the Procedure and Form for Requesting a Bank Account Statement from a Taxpayer by the Tax Authority and Procedure for Providing a Bank Account Statement by the Taxpayer (Resolution No. 2082-N, January 27, 2025, effective from January 27, 2025)**

- In accordance with Article 350.1(2) of the Tax Code, the procedure for the tax authority to obtain a bank account statement within the scope of tax control, as well as the procedure for the taxpayer to provide the statement have been established.

## **Government Resolution on Amending and Supplementing Government Resolution No. 1258-N of October 5, 2017 (Resolution No. 22-N, January 9, 2025, effective from January 19, 2025)**

- Within the scope of tax control, changes have been made to the procedure for the authorized official conducting the tax control to collect relevant documents, items, or samples, aligning it with the new regulations of Article 353 of the Tax Code.

## **Government Resolution on Approval of the Program for Providing Support to Promote Exports (Resolution No. 98-N, January 23, 2025, effective from February 1, 2025)**

- A support program providing assistance equivalent to the amount calculated based on the customs duty rate set for the given product under the legislation of the importing country, applicable to exports of goods originating from the Republic of Armenia from January 1, 2025, to December 31, 2026, has been adopted.

## **Government Resolution on Amending and Supplementing Government Resolution No. 174-N of February 17, 2011 (Resolution No. 70-N, January 23, 2025, effective from March 1, 2025)**

- The procedures for submitting and posting public notifications online have been clarified, specifying the processes for public notifications submitted by state and local self-government bodies, as well as by individuals and legal entities.

## **Government Resolution on Defining the Rules and Requirements for the Provision of Tourism Services by Tourism Industry Entities (Resolution No. 76-N, January 23, 2025, effective from February 8, 2025)**

- The rules and requirements for tourism service providers have been established to clearly distinguish between the activities of tour operators and travel agencies.

## **Government Resolution on Defining the List of Information to Be Provided by Licensed Entities in the Energy and Water Sectors, as Well as Other Taxpayers Operating in the Water Sector, and the Procedure for Providing It for Use by the Tax Authority within the Scope of Tax Control (Resolution No. 10-N, January 30, 2025)**

- The procedure and list of information to be submitted to the tax authority regarding the goods supplied in the provision of services to subscribers or consumers (including individuals) by licensed entities in the energy and water sectors have been established.
- The Resolution shall become effective upon activation of the electronic document submission system by the tax authority.

## **Government Resolution on Approving the List of Certain Goods Subject to Marking with Identification Means, the Timelines for Implementing Marking, and the Rules for Marking Goods Included in the List with Identification Means in the Republic of Armenia (Resolution No. 125-N, February 6, 2025, effective from February 8, 2025)**

- The labeling of certain goods subject to marking (dairy products, beer, soft drinks, cosmetics, canned goods, etc.) will be carried out in accordance with the main technological and organizational model of the product labeling system using identification means within the Eurasian Economic Union (EAEU). The implementation of labeling using identification means will be phased, setting different introduction deadlines for various product groups (beverages and canned food from March 1, 2025, dairy products from June 1, 2025, oils from September 1, 2025, and medicines from January 1, 2026).
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**Government Resolution on Amending and Supplementing Government Resolution No. 1067-N of June 29, 2023, and Supplementing Government Resolution No. 956-N of June 16, 2023**

**(Resolution No. 157-N, February 13, 2025, effective from February 15, 2025)**

- The scope of social expenses covered under the universal income declaration system has been expanded, particularly in healthcare and education.
- The effects of the Resolution apply to relations arising after January 1, 2024.

**Government Resolution on Defining the List of Activities Eligible for State Support in the Field of High Technologies (Resolution No. 142-N, February 13, 2025, effective from February 14, 2025)**

- Establishes the list of high-technology activities eligible for state support, with related tax benefits as defined by the Law on State Support for High Technologies and the Tax Code.

**Government Resolution on Establishing a Professional Commission for Qualifying Scientific Research and Experimental Development Work as Such, Defining the Commission's Activities and Composition, and Setting the Criteria for Scientific Research and Experimental Development Work (Resolution No. 195-N, February 13, 2025, effective from March 7, 2025)**

- A professional commission is formed to qualify research and experimental development projects as such, ensuring eligibility for tax incentives on profit and income taxes.

**Government Resolution on Approving the Procedure for Assessing Family Vulnerability, Conditions, the List of State and Local Self-Government Bodies and Organizations Providing and Receiving Data, the Procedure for Receiving and Providing Data from State and Local Self-Government Bodies and Organizations, the Schedule for Assigning, Paying, and Refunding Overpaid Amounts of Family Vulnerability Benefit and Emergency Assistance, on Recognizing Government Resolution No. 145-N of January 30, 2014, as Repealed, on Establishing the Eligibility Threshold for Family Vulnerability Benefit for 2025, the Amounts of Family Vulnerability Benefit and Emergency Assistance, the Minimum Amount of Family Vulnerability Benefit, and on Amending and Supplementing Certain Government Resolutions (Resolution No. 27-N, January 9, 2025, effective from January 23, 2025)**

- The procedure and conditions for assessing a family's vulnerability status and other related matters have been regulated.

**Government Resolution on Amending and Supplementing Government Resolution No. 927-L of June 3, 2021 (Resolution No. 193-L, February 20, 2025, effective from February 22, 2025)**

- Clarifications and simplifications are introduced in the state support program for intensive horticulture, modern technology implementation, and the promotion of high-value non-traditional crops.
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## Changes to Other Legal Acts

**Order of the Chairman of the State Revenue Committee under the Government of the Republic of Armenia on Amending and Supplementing Order No. 300-N of December 30, 2016 (Order No. 60-N, January 20, 2025, effective from January 24, 2025)**

- Amendments have been made to the procedure for filling out the annual income tax and social payment calculation (declaration), introducing thresholds for declaring certain non-taxable incomes.

**Order of the Chairman of the State Revenue Committee on Defining the Format of Information Submitted to the Tax Authority by Financial Institutions Regarding the Non-Disclosure of Account Holders and Controlling Persons Who Are Residents of Foreign States (Order No. 122-N, February 4, 2025, effective from February 15, 2025)**

- The annex to the order establishes the format of information that financial institutions must submit to the tax authority concerning the non-disclosure of account holders and controlling persons who are residents of foreign states (territories).

**Decision of the Board of the Central Bank of the Republic of Armenia on Repealing Decision No. 264-N of the Board of the Central Bank of the Republic of Armenia of October 7, 2014 (Decision No. 4-N, January 14, 2025, effective from January 28, 2025)**

- Decision No. 264-N of the Board of the Central Bank of the Republic of Armenia, dated October 7, 2014, on the "Form of Report No. 103 on Transactions Subject to Mandatory Disclosure and Suspicious Transactions or Business Relationships by Persons Engaged in Foreign Exchange Dealer-Broker Activities, and the Procedure for Completing and Submitting the Report" has been repealed.

**Decision of the Board of the Central Bank of the Republic of Armenia on Repealing Decision No. 302-N of the Board of the Central Bank of the Republic of Armenia of November 4, 2008 (Decision No. 2-N, January 14, 2025, effective from January 28, 2025)**

- Decision No. 302-N of the Board of the Central Bank of the Republic of Armenia, dated November 4, 2008, on the "Procedure for Deciding to Suspend Suspicious Transactions or Business Relationships or Freeze Financial Assets Related to Terrorism" has been repealed.

**Decision of the Board of the Central Bank of the Republic of Armenia on Amending Decision No. 145-N of the Board of the Central Bank of the Republic of Armenia of April 12, 2005 (Decision No. 7-N, January 14, 2025, effective from February 3, 2025)**

- Before the amendment, a bank board member who had served in that position for five consecutive years was required to be invited to an interview at the Central Bank for a professional suitability assessment. Now, the Central Bank has the discretion to invite them.

**Decision of the Board of the Central Bank of the Republic of Armenia on Repealing Decision No. 20-N of the Board of the Central Bank of the Republic of Armenia of January 27, 2009 (Decision No. 3-N, January 14, 2025, effective from January 28, 2025)**

- Decision No. 20-N of the Board of the Central Bank of the Republic of Armenia, dated January 27, 2009, on the "Model Form of the Declaration on the Ultimate Beneficiaries of Legal Entities Registered by the State Register of Legal Entities, the Procedure for Submission of the Declaration, and the Deadlines" has been repealed.

*Thank you!*

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