Monthly Newsletter On Regulatory and Legislative Changes



APRIL 2025

Changes to the Legislative Framework

On Supplements and Amendment to the Law on Police (Law No. HO-65-N); On Supplement to the Law on Local Self-Government (Law No. HO-66-N); On Supplement to the Law on the Local Fee for Parking of Motor Vehicles and the Specifics of Administrative Proceedings (Law No. HO-67-N); On Supplement to the Law on Aviation (Law No. HO-68-N); On Supplements to the Code of Administrative Offenses (Law No. HO-69-N) (March 5, 2025, effective from August 9, 2025)

- Starting from August 9, 2025, the Police of the Republic of Armenia will be granted the ability to request and obtain video recordings from state bodies, state and municipal subordinate organizations, and institutions, bodies organizing the operation of parking facilities monitored by electronic (video surveillance) systems, the competent authorities in the field of automobile transport management and emergency medical services, as well as airports.
- The police will also have access to video surveillance systems installed on the exterior of buildings within these areas.
- Starting from August 9, 2025, the head of a community must ensure 24/7 access for the Ministry of Internal Affairs of the Republic of Armenia to video surveillance systems monitoring the entrances and exits of the community, as well as those installed on the exterior of municipal buildings, organizations, and institutions. This also includes other video surveillance systems installed on the exterior of buildings under the management or supervision of the local self-government body.
- In areas covered by video surveillance, signs must be posted stating: "This area is under surveillance by the Ministry of Internal Affairs of the Republic of Armenia."
- Failure to provide access to surveillance systems or violating legal requirements regarding access to such systems will result in administrative liability in the form of a fine equivalent to 500 times the minimum wage.

On the Launch of the Process of the Republic of Armenia's Accession to the European Union (Law No. HO-70-N, March 26, 2025, effective from April 17, 2025)

 The Republic of Armenia, with the aim of developing democratic institutions, improving public welfare, strengthening the country's security, resilience, and the rule of law, has declared the launch of the process of the Republic of Armenia's accession to the European Union.

On the Ratification of the Agreement Between the Government of the Republic of Armenia and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance (Law No. HO-71-N, March 26, 2025, effective from April 8, 2025)

 The Agreement signed on June 24, 2024, between the Government of the Republic of Armenia and the Government of the Hong Kong Special Administrative Region of the People's Republic of China for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance has been ratified.

On Amendments and Supplements to the Code of Administrative Offenses of the Republic of Armenia (<u>Law No. HO-75-N</u>, March 26, 2025, effective from May 1, 2025)

 The number of points granted to individuals holding the right to drive vehicles has been revised: instead of the previous 9 points, 13 points are now allocated for a one-year period. The penalty point values for various types of violations of vehicle operation rules have also been revised. On Amendments and Supplements to the Tax Code of the Republic of Armenia (Law No. HO-72-N, March 26, 2025, effective from April 8, 2025, and for regulations regarding the transition of certain types of activities to the general taxation system - from July 1, 2025)

- In order to transfer the performance of professional work and provision of services from special taxation regimes to the general taxation regime, the entities engaged in the activities included in the following classifications of the economic activity types applicable in the Republic of Armenia have been removed from the list of turnover tax payers:
- In section M (Professional, Scientific and Technical Activities): 69 Legal and accounting activities; 70 Activities of head offices; management consultancy services.
- In section N (Administrative and Support Service Activities): 78.2 Temporary employment agency activities; 78.3 Other human resources provision activities.
- In addition, it has been defined that the provisions regarding determination of the VAT taxable base do not apply to the VAT payers carrying out legal practice in relation to free legal services (voluntary pro bono legal aid) provided in accordance with the law, if the VAT taxable base of such services during the given reporting period does not exceed 5 percent of the VAT taxable base of all transactions subject to VAT by that VAT payer during the same reporting period.
- If the VAT taxable base of such free legal services (voluntary pro bono legal aid) provided by VAT payers carrying out legal practice in accordance with the law exceeds 5 percent of the VAT taxable base of all transactions subject to VAT by that VAT payer during the given reporting period, the provisions regarding the determination of the VAT taxable base shall apply to the portion exceeding that amount.

On Ratification of the Convention for the Protection of Human Rights and Dignity of the Human Being with regard to the Biology Application of and Medicine: Convention on Human Rights and Biomedicine (Law No. HO-79-N) (April 18, 2025, effective from April 30, 2025)

 The Convention for the Protection of Human Rights and Dignity of the Human Being with regard to the Application of Biology and Medicine, signed on April 4, 1997, has been ratified. On Amendments and Supplements to the Law of the Republic of Armenia "On Temporary Incapacity and Maternity Benefits" (Law No. HO-73-N); On Amendments and Supplements to the Law of the Republic of Armenia "On State Benefits" (Law No. HO-74-N) (March 27, 2025, effective from April 18, 2025, applicable to cases where the first day of temporary incapacity is September 1, 2025 or later)

- According to the existing regulations on temporary incapacity and maternity benefits, the benefits for employed persons are assigned, calculated, and paid by the employer. Maternity benefits are fully, and temporary incapacity benefits are partially, reimbursed from the state budget. As a result, public funds are disbursed in the form of benefits based on calculations performed by the employer, which presents a significant
- The legislative amendments propose that the calculation and payment of benefits be carried out through the Unified Social Service.
- The authorized body will calculate and pay the benefit based on the data available in the electronic health system concerning the temporary incapacity of the employee or selfemployed individual. Thus, unlike previous legal regulations, submission of an application by the individual is no longer required, except in specific cases.

On Amendment to the Law of the Republic of Armenia "On Specially Protected Areas of Nature" (Law No. HO-77-N) (April 22, 2025, effective from April 29, 2025)

- Unlike the previous regulation, under which water intake within the territory of a state reserve was completely prohibited, the current regulation establishes a legal basis allowing water intake from a state reserve in cases where the use of the water resource is of vital necessity for ensuring the water supply of adjacent communities for drinking, domestic, or agricultural (irrigation) purposes, and where no alternative water sources are available in the area.
- This regulation will apply only to cases of water intake carried out for drinkingdomestic and agricultural (irrigation) purposes via water systems constructed within the reserves prior to the entry into force of the Law "On Specially Protected Areas of Nature" of February 12, 1991 (Law No. HO-5).

On Amendments and Supplements to the Tax Code of the Republic of Armenia (<u>Law No. HO-76-N</u>, April 22, 2025, effective from April 29, 2025)

- The law revises the deadlines for submitting annual income tax calculations (declarations) within the framework of the universal income declaration system for individuals in the Republic of Armenia.
- Specifically, the period for submitting annual income tax declarations is set from March 2 to July 1 of the tax year following the reporting period (for the 2024 and 2025 reporting years, respectively: from January 1 to November 1, 2025, and from March 2 to November 1, 2026).
- It is also established that if an individual applies for an identification card (ID card) of the Republic of Armenia before the deadline defined by the Code for submitting the income tax declaration but does not receive the card before that deadline, the declaration may be submitted—or the income tax paid—by the 20th of the month following the month in which the card was received.

- On Ratification of the Loan Agreement between the Republic of Armenia and the International Bank for Reconstruction and Development on the Implementation of the Universal Health Coverage Program (<u>Law No. HO-78-N</u>) (April 18, 2025, effective from April 30, 2025)
- The Loan Agreement on the Implementation of the Universal Health Coverage Program, concluded between the Republic of Armenia and the International Bank for Reconstruction and Development, has been ratified.

Changes to the Framework of Government Resolutions

Resolution Government **Amending** on Government Resolution No. 1937-N 2003 and December 24, Government Resolution No. 2060-N of December 27, 2024 (Resolution No. 370-N, April 3, 2025, effective from April 4, 2025)

- The Government's Resolution clarifies the procedure defined by Resolution No. 1937-N of December 24, 2003, on the provision of subsidies and grants from the state budget to legal entities. It explicitly includes the component of infrastructure creation or improvement within investment projects as eligible for subsidization.
- Additionally, the amendments concerning credit, leasing, and interest rates aim to complete the subsidy allocation mechanism, establishing a structured support program. This includes the allocation of the subsidy, conclusion of corresponding а line agreement in with the subsidy procedure, and the preparation of a reporting framework.

Government Resolution on Amending and Supplementing Government Resolution No. 727-N of June 6, 2019 (Resolution No. 379-N, April 3, 2025, effective from April 13, 2025)

- This resolution introduces amendments and supplements to Government Resolution No. 727-N of June 6, 2019, which regulates procedures related to the selection of the organizer of a free economic zone, submission of reports, submission of initial and periodic declarations by operators, inclusion in the register of operators, and extension of validity certificates, termination of certificates. formation and operation of the relevant commission, and the provision government services under the "one-stopshop" principle in free economic zones.
- The amendments clarify the requirements under Article 7(3.1) of the Law on Free Economic Zones specifically for operators engaging in the types of activities listed in Article 14(1), points 8-10 of the same law. In particular. the amendments provide terms "operating definitions for the expenses" and "qualified full-time employee" within the context of the resolution.
- Additionally, several procedural aspects of the resolution are updated and regulated.

Government Resolution on Defining the Requirements for Issuance, Submission, and Inclusion in the National Register of Conformity Assessment Documents for Certain Food Products Imported into or Sold in Armenia from Non-EAEU Countries (Resolution No. 374-N, April 3, 2025, effective from April 4, 2025)

- When importing food products subject to mandatory conformity assessment from countries not members of the Eurasian Economic Union (EAEU) into the Republic of Armenia, the customs declaration must be accompanied by documents confirming compliance with EAEU technical regulations

 a certificate of conformity, declaration of conformity, or a state registration certificate.
- The importer must obtain a positive test report from a testing laboratory included in the Unified Register of EAEU Conformity Assessment Bodies, based on products placed in a customs warehouse. On this basis, an accredited and designated certification body, also listed in the same register, issues or registers a conformity assessment document (certificate or declaration).
- At this stage, the legislative requirement applies only to products subject to the following three EAEU technical regulations:
- 1.On requirements for automobile and aviation gasoline, diesel and marine fuel, jet fuel, and fuel oil (TR CU 013/2011);
- 2.On road safety (TR CU 014/2011), limited to bitumen—petroleum, road, viscous (HS Code 2713200000);
- 3.On requirements for liquefied hydrocarbon gases used as fuel.
- The resolution also provides that, if no conformity document is available under the applicable Armenian technical regulation, or if the document is issued by a body not included in the EAEU Unified Register, the product is to be stored in a customs warehouse until the importer ensures the availability of a valid conformity document.
- In such cases, the requirement for product testing is waived, resulting in a reduction of time and financial resources required for conformity assessment, thus improving the business environment.

Government Resolution on Amending Government Resolution No. 27-N of January 9, 2025 (Resolution No. 386-N, April 3, 2025, effective from April 5, 2025)

- Government Resolution No. 27-N of January 9, 2025, approved the new assessment system for evaluating family vulnerability, including the assessment procedure, conditions, and the procedure for receiving and providing data from state and local selfgovernment bodies and organizations.
- The amendments introduced by this resolution clarify the data provided by the Population State Register of the Migration and Citizenship Service of the Ministry of Internal Affairs of the Republic of Armenia and by ACRA Credit Reporting, as well as the accessibility of such data.

Government Resolution on Approving the List of Authors Deceased in the Last 50 Years Whose Works May Be Exported from the Republic of Armenia Only Based on a Cultural Property Export License (Conclusion) or a Temporary Export Permit (Authorizing Document) (Resolution No. 401-A, April 10, 2025, effective from April 11, 2025)

• With a view of preserving cultural heritage and monitoring the movement of works by prominent Armenian authors, the Government has approved the list of authors deceased within the last 50 years whose works may only be exported from the Republic of Armenia based on a cultural property export license (conclusion) or a temporary export permit (authorizing document).

Government Resolution on Approving the List and Service Areas of Territorial Centers of the Unified Social Service, Recognizing the Authorized Organization for Maintaining and Managing the Unified Social Protection Information System, and Amending Government Resolution No. 582-N of June 4, 2015 (Resolution No. 404-N, April 10, 2025, effective from April 11, 2025)

- The resolution approves the updated list of territorial centers of the Unified Social Service and their respective service areas, classified by the name of the center, community, and service area.
- Additionally, the "Nork" Technological and Awareness Center for Social Services Foundation is recognized as the authorized organization for the maintenance and operation of the Unified Social Protection Information System.

Government Resolution on Approving the Procedure and Conditions for Granting, Reiecting. and **Terminating** Reimbursement of Investments in the Film Production Sector; the List of Goods, Services, Related and Works Directly to Included Reimbursable Production in Expenses; and the Conditions and Norms for Calculating the Amount of Reimbursable Monetary Expenses (Resolution No. 412-N, April 10, 2025, effective from April 11, 2025)

- The regulation of the procedure and conditions for granting, rejecting, terminating partial reimbursement investments in the film production sector, as well as the list of goods, services, and works directly related to film production included reimbursable expenses, and conditions and norms for calculating the amount of reimbursable monetary expenses, derives from the need to implement the Law "On Cinematography."
- Foreign film producers, including those producing films in co-production with Armenian film producers, may apply to the National Cinematography Body in order to recover monetary expenses incurred for film production within the territory of the Republic of Armenia. The application must be submitted in accordance with the conditions and formats established by the resolution.
- In case of a positive conclusion from the National Cinematography Body, a reimbursement agreement is concluded between the Authorized State Body and the representative of the foreign film producer (an Armenian resident film production company), under which 10% to 40% of the investments may be reimbursed.
- For partial reimbursement of investments, film producers must procure the goods, services, and works directly related to film production from Armenian resident legal entities or individual entrepreneurs.

Government Resolution on Approving the Procedure for Conducting Repeated Expert Examination of Cultural Property (Resolution No. 416-N, April 10, 2025, effective from April 12, 2025)

- In the case of the export of cultural property, the authorized state body does not have the authority to require a repeated expert examination of the cultural property. As a result, expert conclusions regarding cultural property that are issued for non-original works sometimes circulate.
- In accordance with the amendments made to the Law "On the Export and Import of Cultural Property," the procedure approved by this resolution stipulates that:
- 1. The Ministry of Education, Science, Culture, and Sports of the Republic of Armenia (authorized state body) shall require a repeated expert examination of the cultural property or item declared for export if there is a substantiated suspicion that the cultural property or item is counterfeit or that the initial expert opinion submitted to the authorized body is falsified.
- 2.The repeated expert examination shall be conducted by experts and organizations accredited by the authorized state body to conduct expert evaluations of cultural property.

Government Resolution on Amending and Supplementing Government Resolution No. 596-N of March 19, 2015 (Resolution No. 418-N, April 10, 2025, effective from April 15, 2025)

- Amendments have been made to the procedure for issuing permits and other documents for construction purposes in the Republic of Armenia.
- The amendments include the following:
- 1.Classification of aboveground and underground charging stations for electric vehicles based on the degree of risk and the proposed layout solutions;
- Mandatory obligations assigned to state and community contracting authorities for obtaining technical conditions in construction projects financed by state and community budgets;
- 3. Simplified procedures and classification (medium and above medium risk) for the installation of mobile communication equipment in residential buildings, as well as the installation/renovation/modernization of field base stations for mobile communications on vacant lands using reusable model designs;
- 4. Simplified conditions for completing sample forms for final, commissioning, and acceptance committee acts.

Government Resolution on Amending and Supplementing Government Resolution No. 1392-L of August 22, 2024 (Resolution No. 419-L, April 10, 2025, effective from April 16, 2025)

- The 2025–2028 Support Program for the Construction or Reconstruction and of "Smart" Technological Equipment Livestock Buildings has been approved, aiming to continue the state policy of supporting the establishment of modern technology-based "Smart" livestock facilities and to expand the circle of beneficiaries by providing accessible financial resources for construction, reconstruction, technological provision of livestock buildings in line with modern standards:
- The 2025-2029 Cattle Breeding Development Program has been approved, with the aim of promoting the acquisition of large horned cattle, restoring breeding activities in the cattle sector, implementing large-scale breeding selection and measures, gradually intensifying cattle breeding, increasing the volumes of beef and milk production, and enhancing the competitiveness of economic operators engaged in cattle breeding.
- It is planned to provide compensation to beneficiaries in the amount of 40% of the actual cost paid for 25 or more heads of cattle, and 30% for up to 24 heads (but not exceeding AMD 1.0 million per animal).

Government Resolution on Amending and Supplementing Government Resolution No. 1034-N of July 4, 2024 (Resolution No. 444-N, April 17, 2025, effective from April 22, 2025)

• Amendments have been made to the program to the procedure on compensation of fees (duties) and expenses for drug registration and re-registration expert examinations. The support mechanism has been extended to cover expenses for extension of the validity period of the post-registration registration certificate, changes, expert examinations conducted for the purpose of aligning the dossier of a drug registered in Armenia with EAEU rules or for mutual recognition by other countries, expert examinations related to registration changes, expert examinations for mutual recognition in other countries of a drug registered in the EAEU system solely in Armenia or with an EAEU-aligned dossier, expert examinations required for changes to a drug registered under the general procedure or registered under the EAEU procedure solely for use in Armenia, including changes to specifications in laboratory testing.

Government Resolution on Amending Government Resolution No. 1288-N of October 5, 2017 (Resolution No. 448-N, April 17, 2025, effective from July 1, 2025)

- In order to implement the Law HO-452-N of November 15, 2024, "On Supplementing and Amending the Tax Code of the Republic of Armenia", an amendment has been made to Government Resolution No. 1288-N of October 5, 2017.
- The provision requiring that, for vehicles subject to technical inspection, a certificate of no tax liability be issued in the absence of outstanding tax obligations—indicating the specific months within the relevant tax year for which property tax has been paid for the given taxable object—has been repealed.

Government Resolution on Amending and Supplementing Government Resolution No. 1923-N of November 7, 2002 (Resolution No. 431-N, April 17, 2025, effective from April 19, 2025)

- Resolution No. 1288-N of October 5, 2017 defines the content of information on certain types of goods (works, services) and procedure the for communicating information on mandatory requirements to the consumer, according to which the content of the information provided to the consumer about the manufacturer (performer, seller) and certain types of goods (works, services) must ensure compliance with the mandatory requirements established by the legislation through technical regulations.
- The Resolution provides that:
- 1.The information in Armenian on goods imported into the Republic of Armenia and subject to marking with control (identification) stamps may be communicated to the consumer by the manufacturer (importer) also through control (identification) stamps,
- 2.The above does not apply to tobacco products falling under the codes 2402 10 000 0, 2402 20 100 0, 2402 20 900 0, 2402 90 000 0, 2403 11 000 0, 2403 19 100 0, 2403 19 900 0 of the Foreign Economic Activity Commodity Nomenclature, since a relevant technical regulation is in force in the Republic of Armenia with respect to tobacco products.

Government Resolution on Amending Government Resolution No. 707-N of June 27, 2018 (Resolution No. 454-N, April 23, 2025, effective from April 24, 2025)

- This resolution amends Government Resolution No. 707-N "On defining the small quantities of narcotic drugs psychotropic (psychoactive) substances; the of narcotic drugs, psychotropic (psychoactive), highly potent or toxic substance-containing plants prohibited for circulation; their small, considerable, large, especially quantities; large considerable, large, and especially large quantities of precursors; the list of toxic substances; the list of highly potent substances and their large quantities."
- The list of substances subject to control in the Republic of Armenia has been supplemented with new substances, and the small quantities for certain types of substances have been defined.

Government Resolution on Supplementing Government Resolution No. 1129-N of August 21, 2003 (Resolution No. 473-N, April 23, 2025, effective from April 24, 2025)

 By Government Resolution No. 1129-N "On approving the composition (list) of narcotic drugs, psychotropic (psychoactive) substances, and their precursors subject to control in the Republic of Armenia," the annexed lists have been supplemented with new types of substances.

Government Resolution on Amending Government Resolution No. 183-N of February 20, 2025 (<u>Resolution No. 462-N</u>, April 23, 2025, effective from April 24, 2025)

 Amendments have been made Government Resolution No. 183-N applying tariff preferences to seed potato imported into the Republic of Armenia, approving the procedure for distribution of imports, and the forms of one-time and master licenses," due to the necessity of conducting a second phase for allocation of unassigned volumes permitted seed potato imports into the Republic of Armenia.

Government Resolution on Supplementing Government Resolution No. 2102-N of November 30, 2023 (Resolution No. 478-N, April 23, 2025, effective from April 24, 2025)

- · According to Government Resolution No. 2102-N "On exercising control over the fulfillment of obligations undertaken under transactions concluded on behalf of the Republic of Armenia in the field of state property management and defining the conditions for pledging state property," it is now stipulated that the volume and deadlines for investments established by relevant legal acts on the privatization, alienation, or provision of state property for use in a direct manner may be amended, subject to sufficient legal and economic justification, with the consent of the State Property Management Committee and a corresponding Government resolution.
- Such changes are permissible only for investments for which the penalties for non-performance have already been paid.
- This regulation allows consideration of economic or other unforeseen factors that may impact investment projects and enables the adjustment of investment obligations under more realistic conditions.

Government Resolution on Approval of the Program for Supporting the Development of Air Passenger Transportation to the Republic of Armenia, the Procedure for Receiving Financial Assistance, and the Requirements for Beneficiary Airlines (Resolution No. 495-L, April 23, 2025, effective from April 26, 2025)

- The resolution introduces a financial support mechanism aimed at increasing passenger flow to Armenia by air from new, previously unserved routes. Under this program, airlines operating such flights will receive financial compensation per passenger:
- 1.15,000 AMD per passenger for flights to Gyumri "Shirak" Airport;
- 2.20,000 AMD per passenger for flights to Yerevan "Zvartnots" Airport.
- The purpose is to incentivize airlines to open and maintain new direct air routes to Armenia.

Government Resolution on Amending and Supplementing Government Resolution No. 718-N of April 30, 2020 (Resolution No. 514-N, April 30, 2025, effective from May 1, 2025)

 The resolution introduces changes to the inspection checklists used by the Health and Labor Inspectorate. New questions have been added, and existing questions have been revised to align with current legislative requirements.

Government Resolution on Amending and Supplementing Government Resolution No. 1067-N of June 29, 2023, and Amending Government Resolution No. 157-N of February 13, 2025 (Resolution No. 510-N, April 30, 2025, effective from May 1, 2025)

- The framework for income declaration by individuals has been updated, particularly regarding the reimbursement procedures for healthcare and education-related social expenses.
- Specific adjustments include:
- 1.Clarification on social expense reimbursement when payments have been made by another person on behalf of the declarant.
- 2.The possibility for health insurance companies to issue insurance documents in the name of the individual receiving coverage provided the contract was signed by the employer on behalf of the declarant.
- 3.Community non-profit organizations are now allowed to issue billing documents for educational services in the name of the communities they serve.
- 4. Authorized bodies are required to provide the State Revenue Committee with information about taxpayers authorized to provide dental services, health insurance, and educational services, including details about the taxpayer's identification number and the validity period of relevant licenses.

Government Resolution on Amending and Supplementing Government Resolution No. 1308-N of November 12, 2009 (Resolution No. 530-N, April 30, 2025, effective from May 10, 2025)

- Government Resolution No. 1308-N established the list of goods, services, works, and intellectual products considered military goods, along with the procedures for licensing the import, export, transit transportation, and commercial intermediary services of military goods.
- The amendments include:
- 1. Expansion of the list of controlled goods in Annex 1 of the resolution.
- 2. Introducing additional requirements for license applications, including the need to provide information about the field of activity and the purpose of obtaining the license in the organizational program.

Government Resolution on Defining Requirements for the Digital System for Employment Contracts, Access to Its Data, the Procedure for Signing Contracts via the System, and Assigning the Authorized Managing Body (Resolution No. 410-N, April 10, 2025, effective from July 1, 2025)

 Pursuant to the new Chapter 13.1 of the Labor Code (effective from July 1, 2025), a digital system for signing employment contracts will be implemented.

This resolution:

- Sets technical and procedural requirements for the digital system, including data access rules
- Appoints the State Revenue Committee (SRC) as the authorized body to manage the system.
- Requires the Minister of Internal Affairs, Head of the Health and Labor Inspectorate, and the Chair of the SRC to jointly define interim procedures for data access before the system becomes operational.

Key features of the system include:

- 1. Mandatory digital execution of employment contracts, modifications, and terminations (with certain exceptions).
- 2.Employers must use the SRC's e-reporting system to fill in and digitally sign relevant employment documents.
- 3. Signed documents automatically appear in the employee's personal electronic platform; employees are notified by email and must sign digitally by the day before the contract takes effect.
- 4.Armenian citizens access the system via the "I am" ID platform; foreign nationals use their Taxpayer ID and login credentials provided by the SRC.
- 5.Upon contract activation, a registration application is automatically generated and submitted by the employer to the tax authority by the end of the same workday.
- Additionally, employers must input existing employment contracts into the digital system between January 1, 2026, and December 31, 2026, if they were not originally signed via the system.

Government Resolution on Defining the Procedures for the Provision of State Support in the High Technologies Sector (Resolution No. 450-N, April 17, 2025, effective from April 19, 2025)

- The procedures, conditions, and deadlines for the following types of state support, as provided for by Parts 4 and 5 of Article 5 of the Law "On State Support in the High Technologies Sector," have been defined:
- 1. Procedures for the provision of state support to economic entities operating in the high technologies sector for labor migrants, as well as for the training and retraining of professional staff to engage new employees;
- 2. Procedure for the provision of state support to a labor migrant who is an employee of an economic entity operating in the high technologies sector.

Government Resolution on Supplementing Government Resolution No. 572-N of May 25, 2017 (Resolution No. 459-N, April 23, 2025, effective from April 24, 2025)

- This resolution introduces amendments to Government Resolution No. 572-N, regulating the use of electronic documents and digital signatures in public institutions.
- Foreign citizens and stateless persons in Armenia are now allowed to apply for and obtain Mobile ID, provided they undergo strict identification by the Migration and Citizenship Service.
- This change enables foreigners to access public e-services that require strict digital authentication.
- The new regulation also applies retroactively to foreigners who obtained residence status and valid supporting documents before these amendments took effect.

Upcoming Changes to the Regulatory Framework

THE FOLLOWING DRAFT LAWS HAVE BEEN ADOPTED IN THE SECOND READING AND IN FULL.

On Supplements to the Civil Code of the Republic of Armenia; On Supplements to the Law Supplementing the Law on the State Registration of Legal Entities, Separate Structural Units of Legal Entities, Institutions, and Individual Entrepreneurs (available here)

- According to the current legislation, the termination of obligations secured by collateral is the basis for the termination of the collateral itself.
- In practice, there have been cases where individual entrepreneurs and legal entities did not register or were not listed, attempting to avoid fulfilling their obligations to financial institutions. As a result, many financial organizations, as creditors, were deprived of their rights to demand fulfillment of obligations or enforce their rights to the collateral.
- The draft proposes an exception to the termination of collateral. It specifies that for individual entrepreneurs or legal entities who have not undergone state registration or listing, their collateral rights on property owned by others do not cease, except in the following cases:
- 1.If the financial losses arising from obligations (including monetary claims or property rights transferred to the Government of the Republic of Armenia) have been fully or partially reimbursed or compensated according to an agreement with the collateral holder, or
- 2.If the collateral is related to property or property rights intended for the construction of multi-apartment buildings or subdivided structures.

On Amendments and Supplements to the Law on Holding Arrested and Detained Persons (available <u>here</u>)

- The draft proposes to establish that all arrested and detained persons must undergo a medical examination upon admission to a place of arrest or detention (detention facility), regardless of whether any bodily injuries are observed—a departure from the current law, which requires medical examination only if physical injuries are identified.
- Additionally, the draft sets out mechanisms that align with international standards for the detection and documentation of torture and ill-treatment.

On Amendments to the Law on Private Security Activities; On Amendments and Supplements to the Code of Administrative Offenses of the Republic of Armenia; On Amendments to the Law on Licensing; On Amendments to the Law on State Duty; On Amendments and Supplement to the Law on Regulation of Arms Circulation (available here)

- Under current regulations, video surveillance services using security equipment, alarm system monitoring, and rapid response services are not formally regulated by law, although these services are in fact provided by private security organizations. The draft law resolves this issue.
- The amendments propose that the transportation of a protected individual may only be carried out using a single vehicle, with no more than three bodyguards on board (including the driver-bodyguard). Escorting the protected person's vehicle with an additional vehicle is prohibited.
- Administrative penalties are introduced for violating these requirements, including a fine of AMD 500,000 for the first violation, and AMD 1,000,000 if the violation is repeated within one year.
- If the same requirement is violated two or more times within a year following a fine, the private security company's license will be suspended by the competent state authority in charge of internal affairs.
- The legislative package also introduces new licensing requirements, particularly:
- 1.To apply for a license, a company must have signed employment contracts with at least10 qualified employees (guards and/or bodyguards) at the time of application.
- 2.The license will be issued without a time limit (permanently).
- Private security companies are also required to insure their liability risks in accordance with procedures and limits defined by the Government.
- Additionally, the list of permits granted to legal entities now includes gun-carrying permits for employees of entities with special statutory tasks. These permits are valid for five years, and renewable for additional five-year periods.
- Lastly, starting January 1, 2026, the state duty for a private security activity license will increase from AMD 500,000 to AMD 3,000,000.

On Disaster Risk Management and Protection of the Population; On Supplements to the Code of Administrative Offenses of the Republic of Armenia; On Supplements to the Law on Local Self-Government; On Amendments and Supplements to the Law on Local Self-Government in the City of Yerevan (available here)

- The current Law "On Protection of the Population in Emergency Situations" does not provide a detailed regulation of key areas such as disaster risk reduction measures, disaster response, early recovery, and post-disaster rehabilitation.
- The draft law proposes a comprehensive regulatory framework for disaster risk management and the protection of the population, with particular emphasis on reducing disaster risks.
- The aim is to transform the system from a reactive to a proactive approach by ensuring that all structures involved in disaster risk management and population protection work in a coordinated way to prevent or mitigate disaster consequences.
- Additionally, the amendments introduce administrative liability for local selfgovernment bodies, individual entrepreneurs, and organizations who fail to fulfill their obligations under this law.

On Supplements to the Civil Procedure Code of the Republic of Armenia (available here)

- Given that all proceedings related to the confiscation of property of illicit origin are uniform in nature and that the parties involved in these cases—most notably, the plaintiff, which is always the Prosecutor General's Office of the Republic of Armenia at least partially overlap, the draft proposes to establish criteria for joining cases handled by different judges into a single proceeding.
- These criteria include:
- 1. The interrelation between the proceedings,
- 2. The expediency of examining them jointly for the sake of quicker and more effective resolution, and
- 3.A procedural time limit: namely, a joinder is only allowed if no decision has yet been made in any of the cases regarding the allocation of the burden of proof.
- This time limitation is designed to minimize situations where extensive procedural actions have already been taken, as joinder in such cases would require restarting the examination of the cases from the beginning.

On Amendments and Supplements to the Land Code of the Republic of Armenia; On Amendment to the Law on Management of State Property: On **Amendment** Supplement to the I aw on the Administrative-Territorial Division of the Republic of Armenia; On Amendment and Supplement to the Law on Local Self-Government (available here)

- The amendments clarify the procedures for possession, management, and disposal of lands owned by the state, including the possibility of transferring such land plots for free use or donation through the State Property Management Committee.
- The goal of the legislative package is to improve the efficiency of managing stateowned lands.

On Amendments and Supplements to the Law on Food Safety (available <u>here</u>)

- To ensure compliance with Point 5.1 of Annex No. 2 to Government Resolution No. 356-L of March 23, 2023, the following requirements have been established:
- 1. When registering in the database of food chain operators, it will be mandatory to submit information and an approved plan regarding procedures based on the Hazard Analysis and Critical Control Points principles.
- 2. For raw materials and food of animal origin obtained through slaughter, it will now also be mandatory to provide information about the country where the animal was raised.

THE FOLLOWING DRAFT LAWS HAVE BEEN ADOPTED IN THE FIRST READING.

On Amendments and Supplements to the Law on Functional Assessment of the Individual; On Amendments to the Code of Administrative Offenses of the Republic of Armenia (available here)

- Under current legislation, oversight of the functional assessment procedure for individuals is carried out by the inspection body authorized in the field of healthcare. However, there are no regulations defining the instruments or procedures for conducting such oversight.
- The proposed legislative package introduces a comprehensive regulatory framework for oversight of the functional assessment process, including the grounds for conducting observations (inspections), the duration of the proceedings, the required content of observation reports, and the measures to be taken in case of violations.
- Additionally, administrative liability is established for violations of the rules governing the functional assessment of individuals.

On Amendments and Supplements to the Law on Education (available here)

- The draft law defines the core principles, goals, objectives, and development paths necessary to establish new quality benchmarks in the field of extracurricular education.
- In particular, it proposes a mandatory requirement for the content of programs in extracurricular education to be submitted to the Ministry for endorsement.

On Amendments and Supplements to the Water Code of the Republic of Armenia (available <u>here</u>)

- In line with the amendments introduced by Law HO-129-N of March 20, 2024, the requirement for a water user to sign the water use permit (WUP) has been removed from the list of mandatory conditions.
- Accordingly, under Article 33.1 of the Water Code, when the Water Resources Management and Protection Body initiates a revision of a WUP, the obligation for the water user to submit the permit to the authority—and therefore any deadlines for such submission—is eliminated, which also removes the ground for suspension of a WUP based on failure to submit a copy.
- At the same time, a process of digitizing the issuance of WUPs is underway, and once implemented, the need to submit paper versions will be completely eliminated.

On Amendments to the Law on Eco-Patrol Service (available here)

- The draft law proposes that in the event of a service member's death while performing their duties, monetary compensation (onetime financial assistance) will be provided to the member's family members. Similarly, monetary compensation will be provided if a member is recognized as having a disability.
- This compensation is established as a social guarantee, replacing the current state insurance provisions.

On Supplements and Amendments to the Labor Code of the Republic of Armenia (available here)

- The need for these amendments arises from the absence of regulations in the new Criminal Code of the Republic of Armenia regarding the worker's status and rights in the case of house arrest as an alternative measure of restraint.
- The draft law specifically proposes that an individual may perform their work duties from their designated residence, as specified in the court's decision if the nature of the work allows for remote execution. If this is not possible, the employment relationship will be suspended, similar to the conditions of detention.

On Amendments and Supplements to the Law on Energy (available <u>here</u>)

- Guided by the goals of liberalizing the market and promoting competition, it has been established that producers of electricity in small hydropower plants built on natural watercourses, as well as in solar and wind power plants, who benefit from the guaranteed electricity purchase scheme, shall be given the opportunity to waive the guaranteed purchase of electricity within the next two years and enter the competitive market without the right to reinstate that guarantee.
- This is in contrast to the previous regulation, under which producers benefiting from the purchase guarantee could not waive it for 15–20 years and were obligated to sell electricity to the state at a tariff set by the Public Services Regulatory Commission.

On Amendments to the Law on Enforcement Proceedings and Other Laws (available here)

- The necessity for the amendments arises from the unprecedented growth in the number of enforcement proceedings, under which it has become essential to digitalize the processes derived from the law.
- Considering that the process cannot be adequately implemented during 2025, it has been proposed to postpone the date of entry into force of the legislative package from July 1, 2025, to January 1, 2026, and to set the deadlines for the implementation and integration of communication channels with the courts to March 1, 2026, instead of the previously set September 1, 2025.
- It is expected that with this amendment, the electronic system will be properly prepared to meet the legislative requirements and ensure proper implementation, its particularly through the conclusion of a contract with a relevant service provider, the necessary modifications to the existing system within the enforcement service, integration of the system with other bodies, the parallel circulation and adoption of a package of sub-legislative acts ensuring the implementation of the law, and training of enforcement officers to familiarize them with the new legislative framework and the functionalities provided through electronic tools.

On Amendments to the Law on the State Supervision Service and Other Laws (available here)

- The field of financial-budgetary control has been removed from the core responsibilities of the Ministry of Finance of the Republic of Armenia and reassigned to the State Supervision Service (SSS).
- Control over the legality and efficiency of the quality, volume, financing, and related functions of medical services provided under the state order has been regulated in a way that enables the SSS to establish more effective oversight mechanisms.

On Amendments to the Law on the Remuneration of Persons Holding Public Positions and Public Service Positions (available <u>here</u>)

 According to the draft law, the remuneration coefficients for contractual servicemen of the Ministry of Defense of the Republic of Armenia are revised. Specifically, the coefficients for the positions of Army (General Staff) Sergeant (Group 9/9), Corps (Directorate) Sergeant (Group 9/8), and Staff Sergeant (Group 7/4) are being defined.

On Supplements to the Law on Physical Culture and Sports; On Supplements to the Law on Local Self-Government; On Supplements to the Law on Local Self-Government in the City of Yerevan (available here)

- The current Law "On Physical Culture and Sports" does not contain an enabling provision allowing the Minister of Education, Science, Culture, and Sports of the Republic of Armenia to issue an order regulating the procedure for naming youth sports schools. Meanwhile, suggestions continue to be submitted regarding the naming of these schools.
- To address this, the proposed amendment aims to formally authorize the establishment of such a procedure. It emphasizes the importance of honoring prominent notable individuals and those with achievements in sports—especially Olympic world champions—for contributions to sports development, athlete education, and patriotic upbringing. Naming sports schools after such individuals would serve as a meaningful recognition of their dedicated service.

On Amendments and Supplements to the Code of Administrative Offenses of the Republic of Armenia (available <u>here</u>)

• In cases where criminal prosecution is not initiated, is terminated, is not pursued, or where the criminal case is discontinued or results in an acquittal, but the individual's actions nonetheless contain elements of an administrative offense, an administrative sanction may be imposed. This sanction can be applied within one month from the date the authorized body (or official) receives the final decision—be it the legally effective decision on non-initiation, termination, or discontinuation of criminal prosecution, or acquittal verdict. However. administrative penalty must be imposed no later than six months from the date the respective decision or acquittal enters into legal force, or from the issuance of the written notice on the non-initiation of criminal proceedings.

On the Regulation of Crypto-assets and Amendments to Other Laws (available <u>here</u>)

- With the growing activity in the crypto-asset sector, several risks have emerged. These risks primarily relate to the lack of adequate mechanisms for consumer protection, as well as the potential misuse of crypto-assets and the technologies behind them for money laundering and terrorist financing (ML/TF). Additionally, the continued expansion of crypto-asset circulation poses potential threats to financial stability. Failure to adequately address these issues also negatively impacts the sector's development.
- In particular, insufficient protection of consumer interests hampers the ability to attract a broad customer base, limits access to high-quality services, and restricts participation in various financial initiatives involving investments in newly issued crypto-assets. Furthermore, ML/TF and related risks hinder the effective integration of the crypto ecosystem with the financial system and obstruct mutually beneficial cooperation.
- Given the urgency and significance of addressing these challenges, the draft proposes a comprehensive regulatory model for the crypto-asset sector. This model aims to create the necessary preconditions for the sector's stable development while minimizing the negative impact of existing and potential risks.

THE FOLLOWING DRAFT LAWS HAVE BEEN INCLUDED IN THE AGENDA OF UPCOMING SESSIONS.

On Supplements to the Law on Transport (available <u>here</u>)

 The draft aims to authorize the Government, by law, to approve support programs in the fields of road, rail, water, and air transport. These programs would be directed at acquiring new means of transport and expanding capacities to promote the development of passenger and cargo transportation services.

On Amendments and Supplements to the Law on Road Transport; On Amendments and Supplements to the Code of Administrative Offenses of the Republic of Armenia; On Supplements to the Law on Local Duties and Fees (available here)

- The amendment proposes that intracommunity passenger transport can be organized by a 100% community-owned operator, with the fare set by the community council. This fare would be categorized as a service cost rather than a local tax. However, it also suggests aligning this fare with the provisions of the Law on Local Taxes and Fees, treating it as a local fee when services are provided through a procurement process or by a fully community-owned operator.
- The amendment also proposes allowing Yerevan's community council to set a unified local fee, enabling citizens to pay once and use all transport types (bus, trolleybus, metro). Furthermore, administrative fines would be imposed on individuals who use the services without paying the local fee.

Thank you!