#### Monthly Newsletter On Regulatory and Legislative Changes



**JUNE 2025** 

#### Changes to the Legislative Framework

On Amendments and Supplements to the Law On Energy (<u>HO-111-N</u>, May 14, 2025, effective from August 1, 2025, with certain exceptions)

- Guided by the objectives of market liberalization and promoting competition, it has been established that, over the next two years, electricity producers operating small hydropower plants built on natural watercourses, as well as solar and wind power plants that benefit from a guaranteed power purchase scheme, may waive the guarantee and enter the competitive market, without the right to reinstate the guarantee.
- This differs from the previous regulation, under which producers benefiting from the guaranteed purchase scheme could not refuse the guarantee for 15–20 years and were obliged to sell electricity to the state at a tariff set by the Public Services Regulatory Commission (PSRC).
- Amendments related to the status of a qualified consumer have also been introduced.

On the Ratification of the Financial Agreement between the Republic of Armenia and the European Investment Bank Regarding the "Armenia: Sisian-Kajaran Road Section Program" funded by the European Fund for Sustainable Development (EFSD+) and its Special Investment Window 1 (HO-120-N, May 29, 2025, effective from June 14, 2025)

- The funds in the amount of EUR 236 million will be allocated for the financing of a portion of the overall project for the construction of a new 60 km single carriageway road junction between Sisian and Kajaran in the Syunik region of Armenia.
- The program will be implemented in three sub-sections:
- 1. Northern sub-section: 27.1 km
- 2. Bargushat Tunnel: 8.6 km
- 3. Southern sub-section: 24.25 km

On Amendments to the Code of Administrative Offenses of the Republic of Armenia (<u>HO-113-N</u>, May 14, 2025, effective from July 02, 2025)

- If a criminal case is not initiated, is terminated, discontinued, or results in an acquittal, but the act includes elements of an administrative offense, an administrative fine may hereafter be imposed:
- 1. within one month from the date the competent authority receives the relevant decision or judgment, or
- 2. within a maximum of six months from the date the decision or judgment enters into force or from the refusal to initiate criminal proceedings.
- Amendments have also been made to the provisions concerning violations of the rules on the use of vehicle registration plates and traffic rules.

On Ratifying the Agreement Between the Government of the Republic of Armenia and the Government of the State of Qatar on Regulating the Employment Activities of Citizens of the Republic of Armenia in the Territory of the State of Qatar (HO-119-N, May 29, 2025, effective from June 14, 2025)

- The ratification of the agreement derives from Clause 1.1 of the Republic of Armenia Government's 2021–2026 Program, specifically: "The Government will promote the expansion of cooperation with countries of the Near and Middle East in areas of mutual interest, including ensuring the safety of Armenians living in conflict zones."
- As a result of the ratification, the establishment of a more advanced migration system is anticipated.

On Amendments to the Code of Administrative Offenses of the Republic of Armenia (HO-112-N, May 14, 2025, effective from June 12, 2025, applies to tobacco products and tobacco substitutes produced or imported after January 1, 2024)

- Given that Article 47.16, Parts 1 and 2, of the Code of Administrative Offenses of the Republic of Armenia regulates only those tobacco products or tobacco substitutes that fail to comply with the technical safety regulations established by the Government of Armenia, and considering that Armenia, as a member state of the Eurasian Economic is (EAEU), guided Union by FAFU regulations, it was necessary to amend the Code to establish administrative liability for products that do not meet requirements.
- Additionally, under the current legal framework, the fines imposed for the production or import of non-compliant tobacco products or their substitutes are minimal, which allows violators to simply pay the fine and continue their unlawful behavior.
- This issue has now been addressed by revising the fine rates.

On Supplement to the Law on Physical Culture and Sports (<u>HO-123-N</u>); On Supplement to the Law on Local Self-Government (<u>HO-124-N</u>); On Supplement to the Law on Local Self-Government in the City of Yerevan (<u>HO-125-N</u>)(May 29, 2025, effective from June 23, 2025)

- An enabling provision has been added to the Law on Physical Culture and Sports, under which the Minister of Education, Science, Culture, and Sports of the Republic of Armenia may, by order, establish the procedure for naming youth sports schools.
- Recognizing the significant contributions of distinguished individuals and those with a legacy in sports, including Olympic and world champions, to the development of sports, the education of athletes, and patriotic upbringing, the naming of sports schools will serve as a unique acknowledgment of their work.

On Ratifying the Protocol on Amendments to the "Agreement on Interstate Search for Persons among the Member States of the Commonwealth of Independent States" dated December 10, 2010 (HO-118-N, May 29, 2025, effective from June 14, 2025)

 In order to organize the sending of requests electronically, the mechanisms for cooperation have been clarified. On Amendments to the Civil Code of the Republic of Armenia (HO-114-N); On Amendment and Supplements to the Law on Limited Liability Companies (HO-115-N); On Supplements and Amendments to the Law on Joint Stock Companies (HO-116-N); On Supplements to the Tax Code of the Republic of Armenia (HO-117-N) (May 12, 2025, effective from June 12, 2025)

- Provisions introducing convertible loans have entered into force.
- Under a loan agreement where the borrower is a joint stock company or a limited liability company, it may be stipulated that, instead of repaying the loan amount (or part of it) and/or paying interest (or part of it), the borrower is obliged to allocate, in accordance with the terms of the agreement, a specified number, type, and class of shares or to transfer a company interest in favor of the lender. This option must be determined at the time of signing the agreement.
- The decision to enter into a convertible loan agreement by a joint stock company must be adopted by the unanimous vote of all holders of voting shares. The procedure for issuing and allocating shares under a convertible loan agreement has been established.
- If the interest payable to individuals who are not sole proprietors or notaries is converted into shares or company interests:
- 1. Within 12 months following the tax year in which the right to receive interest arises, the interest is deemed paid at the time of conversion;
- 2. After 12 months following the tax year in which the right to receive interest arises, the interest is deemed paid before the expiration of that 12-month period.

On the Ratification of the Investment Grant Agreement between the Republic of Armenia and the European Investment Bank Regarding the "Yerevan Energy Efficiency Phase II Program" (HO-121-N, May 29, 2025, effective from June 14, 2025)

- The objective of the program is to carry out energy efficiency and energy-saving improvement works in public buildings under the jurisdiction of Yerevan Municipality, specifically in kindergartens and polyclinics.
- The capital renovation, seismic reinforcement, and reconstruction of public buildings are a priority at both the state and municipal levels. Accordingly, the ratification of the investment grant agreement is a key component in the implementation of the "Yerevan Energy Efficiency Phase II" program.

On Amendments to the Tax Code of the Republic of Armenia and Amendment to the Law "On Supplements and Amendment to the Tax Code of the Republic of Armenia" (HO-156-N, May 29, 2025, effective from June 25, 2025)

- Exemption from profit tax is granted to nonresident profit taxpayers with respect to:
- 1. Dividends received between March 1, 2020 and December 31, 2027 (inclusive), from shares listed on a stock exchange operating in Armenia by December 31, 2027 (inclusive);
- 2.Income derived from disposal, exchange with other securities, or similar transactions involving shares listed on a stock exchange operating in Armenia by December 31, 2027, where the transaction occurs on or before December 31, 2027 (inclusive);
- 3. Income derived from the disposal, exchange with other securities, or similar transactions involving bonds listed on a stock exchange operating in Armenia between January 1, 2025, and December 31, 2027, where the transaction occurs on or before December 31, 2027 (inclusive); and other similar income.
- For the purpose of determining the taxable base for income derived from securities, the following are considered deductible income:
- 1. Dividends received from shares listed on a stock exchange operating in Armenia by December 31, 2027, during the period from March 1, 2020, to December 31, 2027 (inclusive);
- 2.Interest or discount income received from bonds listed on a stock exchange operating in Armenia by December 31, 2024, until their maturity, except for bonds issued by banks where the period between placement and maturity is less than two years;
- 3. Interest or discount income received from bonds listed on a stock exchange operating in Armenia between January 1, 2025, and December 31, 2027, provided such income is received by December 31, 2027, excluding bonds issued by banks if the period between placement and maturity is less than two years.

#### On Amendment to the Law on State Duty (<u>HO-122-N</u>, May 29, 2025, effective from June 14, 2025)

- For the import of cement classified under code 2523 of the Eurasian Economic Union's Commodity Nomenclature of Foreign Economic Activity (except for codes 2523210000 and 2523100000), under the customs procedures of "Release for Domestic Consumption," "Processing in the Customs Territory," and "Processing for Domestic Consumption," the state duty for issuing each import license for up to 100 tons has been increased to 800 times the base duty, up from the previous 200 times the base duty.
- This change aims to ensure equal competitive conditions between imported and domestically produced cement.

### On Amendments to the Law on Enforcement Proceedings (HO-126-N) and a Number of Related Laws (May 29, 2025, effective from June 14, 2025)

- The amendments are driven by the unprecedented increase in the number of enforcement proceedings, necessitating the digitalization of processes arising from the law.
- Given that the system cannot be fully and properly implemented during 2025, it has been proposed to change the entry-into-force date of the laws from July 1, 2025, to January 1, 2026, and to postpone the deadline for introducing and integrating communication channels with the courts to March 1, 2026, instead of the previously set September 1, 2025.
- The proposed changes are expected to allow proper preparation of the electronic system in line with legislative requirements and to ensure a smooth rollout. Specifically, this includes signing a contract with a servicing company, making necessary changes to the existing system, integrating the system with other agencies, circulating and adopting a package of sub-legislative acts to implement the law, and providing training for enforcement officers.

Law on Cryptoassets (HO-159-N) and Amendments and Supplements to a Number of Related Laws (May 29, 2025, effective from July 04, 2025, with certain exceptions)

- Alongside the growth of activity in the cryptoasset sector, challenges have emerged due to the lack of sufficient mechanisms for protecting clients' interests and the risks associated with the potential misuse of cryptoassets and their underlying technologies for money laundering and terrorist financing (ML/TF). In addition, concerns have arisen regarding financial stability risks.
- These legislative changes aim to mitigate such risks as effectively as possible.
- Under the latest revision, banks are prohibited from combining cryptoassetrelated services with traditional banking services, except for the issuance of electronic money tokens, since under existing legislation, banks are permitted to issue electronic money.

On Amendment and Supplements to the Labor Code of the Republic of Armenia (HO-157-N); On Supplement to the Criminal Procedure Code of the Republic of Armenia (HO-158-N) (May 29, 2025, effective from July 25, 2025)

- The need for these amendments arose due to the absence of legal regulations concerning an employee's status and rights in cases of house arrest, which is provided as an alternative preventive measure under the new Criminal Procedure Code of Armenia.
- As a result of the amendments, it is now established that a person may perform their job duties from the place of residence specified in the court decision, if the nature of the job allows for remote work.
- Otherwise, the employment relationship will be suspended, similar to the rules applied in cases of detention.

#### Changes to the Framework of Government Resolutions

Government Resolution on Approving the Procedures for Transmitting Information on Financial Accounts to Competent Authorities of Foreign States (Territories), Receiving Such Information from Competent Authorities by the Tax Authority, and the Requirements for Preserving Transmitted Information (No. 718-N, June 5, 2025, effective from June 16, 2025)

- This resolution establishes:
- 1. The procedure for transmitting information on financial accounts to the competent authorities of foreign states (territories),
- 2.The procedure for receiving such information by the tax authority from foreign competent authorities, and
- The requirements for preserving the information transmitted.
- It is stipulated that after financial institutions submit and verify the information on financial accounts, the tax authority will compile data packages for each participating state, including only the reportable accounts of the relevant reporting jurisdiction.
- By September 30 of each reporting year, the tax authority will transmit encrypted packages to the reporting jurisdictions via the System.

Government Resolution on Amending and Supplementing Government Resolution No. 1343-N of August 24, 2022 (No. 713-N, June 5, 2025, effective from June 6, 2025)

- The amendments to Resolution No. 1343-N titled "On Approving the Basic Requirements, Procedure, and Conditions for Providing Support under the 'Infrastructure for Investment' Program" are aimed at:
- 1.Creating a more favorable environment and conditions for companies to access essential infrastructure within investment projects;
- 2. Simplifying the conditions for infrastructure construction; and
- 3. Removing the restriction on the list of preferred audit firms for verifying the completion of investment projects and related infrastructure costs.

Government Resolution on Imposing a Temporary Export Ban on Used Ceramic Waste from Catalytic Converters of Car Mufflers (Silencers) Classified under EAEU CN FEA Code 7112 99 000 0 from the Territory of the Republic of Armenia (No. 806-N, June 20, 2025, effective from July 4, 2025, effective until January 04, 2026)

- Government Resolution No. 1848-N had established a six-month temporary export ban on used ceramic waste from catalytic converters of car mufflers classified under EAEU CN FEA Code 7112 99 000 0 from the territory of Armenia, which was set to expire on July 3, 2025.
- By this new resolution, the export ban has been extended for an additional six months, through January 4, 2026 (inclusive).

Government Resolution on Amending and Supplementing the Resolution of the Government of the Republic of Armenia No. 98-N of January 23, 2025 (No. 739-N, June 5, 2025, effective from June 10, 2025)

- Editorial amendments were made to Government Resolution No. 98-N "On Approving the Program for Providing Support Aimed at Promoting Exports."
- Under the revised version, support will be provided for exports made starting from February 1, 2025. (In the previous version, due to a technical error, the start date was incorrectly indicated as January 1, 2025.)

Government Resolution on Approving the Procedure for Conducting State Testing of Military Products, Their Parts, Components, Prototypes, and the Results of Special Research and Experimental-Design Works in the Republic of Armenia (No. 826-N, June 20, 2025, effective from July 4, 2025)

 This Resolution regulates the process of testing military products (special equipment) by the state-authorized body in the field of military industry, relevant state administration bodies, and manufacturers of military or dual-use goods.

# Government Resolution on Approving the Program for Reimbursement of Product Certification and Laboratory Testing Fees (No. 735-N, June 5, 2025, effective from June 7, 2025, effective until November 10, 2027)

- The program provides partial reimbursement of conformity assessment costs incurred by legal entities and sole proprietors registered and operating in Armenia, for product certification or testing support.
- Eligibility is limited to those engaged in economic activities classified under the following sections of the "Classifier of Types of Economic Activity" approved by the Minister of Economy's Order No. 874-N of September 19, 2013: Section A (Agriculture, Forestry, and Fishing), including: 01.1 Growing of non-perennial crops; 01.2 Growing of perennial crops; 01.3 Plant propagation; 01.4 Animal production; 03.2 Aquaculture, and Section C (Manufacturing), excluding: 18 Printing and reproduction of recorded media; 33 Repair and installation of machinery and equipment.
- The program provides reimbursement for the following:
- Certification expenses: 50% of the certification cost, but no more than AMD 100,000;
- Laboratory testing expenses: 50% of the cost per parameter, but no more than AMD 50,000 for each type of product tested.
- Beneficiaries may apply for:
- 1.reimbursement of both certification and testing costs,
- 2.or certification only,
- 3.or laboratory testing only, depending on their needs.
- The total support provided under the program cannot exceed AMD 5,000,000 per beneficiary per year, based on the value of exported products after being recognized as a program beneficiary.

### Government Resolution on Amending Government Resolution No. 1083-N of October 20, 2016 (No. 784-N, June 20, 2025, effective from June 30, 2025)

- Clause 10.1 of Resolution No. 1083-N, which previously regulated the formation of state defense procurement orders, has been repealed.
- Going forward, the relevant procedures—including the formation, financing, and execution of applications for special R&D and design works for military needs—will be regulated in a more comprehensive manner under Article 6(1)(2)(j) of the Law on the Military-Industrial Complex.

# Government Resolution on Amending and Supplementing Government Resolution No. 1755-N of November 7, 2024 (No. 737-N, June 5, 2025, effective from June 7, 2025, effective until November 10, 2027)

- resolution establishes partial This reimbursement of conformity assessment service costs incurred by legal entities and sole proprietors registered and operating in Armenia that engage in the following types of economic activity as classified under the "Classifier of Types of Economic Activity" approved by the Minister of Economy's Order No. 874-N of September 19, 2013: Section A (Agriculture, Forestry, and Fishing), including: 01.1 – Growing of non-perennial crops; 01.2 – Growing of perennial crops; 01.3 Plant propagation; 01.4 - Animal production; 03.2 - Aquaculture, and Section C (Manufacturing), excluding: 18 - Printing and reproduction of recorded media; 33 -Repair and installation of machinery and equipment.
- The program provides partial reimbursement for certification-related expenses, excluding costs related to annual compliance monitoring of the issued certificate.
- Reimbursement is provided as follows:
- 1.For ISO 9001 and ISO 14001 certifications: 50% of the certification cost, up to AMD 1,000,000.
- 2.For ISO 22000 and FSSC 22000 certifications: 50% of the certification cost, up to AMD 1,500,000.
- 3. For Global G.A.P., Halal, Organic, and Transitional Organic certifications: 50% of the certification cost, up to AMD 1,500,000.
- 4. For all other certifications covered by the program: 50% of the certification cost, up to AMD 1,500,000.

### Government Resolution on Amending Government Resolution No. 765-N of May 20, 2004 (No. 767-N, June 12, 2025, effective from July 1, 2025)

- This resolution establishes the procedure for the preparation and submission of expert opinions on:
- 1. Controlled goods,
- 2. Controlled intangible assets,
- 3. Military products listed in the governmentapproved list of military-purpose items.
- The procedure defines the method of submission, deadlines, and formats to be followed by the persons conducting the expert evaluations, and requires that such expert opinions be provided to the State Revenue Committee (SRC).

### Government Resolution on Amending and Supplementing Government Resolution No. 1332-N of August 3, 2023 (No. 740-N, June 5, 2025, effective from September 1, 2025)

- Amendments have been made to Government Resolution No. 1332-N, titled "On Approving the Procedures for Issuing, Reformatting, Extending, Reviewing, Suspending, Revoking, and Terminating Water Use Permits (WUP); the Template of the WUP; and the Formats for Well Passports and the Geological-Technical Design Sections of Wells," adopted on August 3, 2023.
- Key changes include:
- 1. The requirement for the water user to sign the WUP in cases of issuance, extension, reformatting, or review has been removed.
- 2. The requirement for the water user to certify the WUP on the cover page of the standard template has also been removed.
- 3.A special QR code has been introduced to enable the electronic issuance of WUPs.
- 4.A new clause has been added to the WUP application template requiring the applicant to indicate the name of the company conducting the calculation of water use, wastewater discharge, and permissible discharge limits.
- 5. Changes have also been made to the list of documents to be submitted with the application.

# Government Resolution on Approving the Format and Procedure for Issuing the Opinion (Permitting Document) for Temporary Export of Cultural Property (No. 712-N, June 5, 2025, effective from January 1, 2026)

- This resolution:
- Distinguishes between permanent and temporary export procedures;
- 2. Establishes the procedure for issuing an opinion (permitting document) for the temporary export of cultural property;
- 3.States that the opinion will be issued separately for each cultural asset classified under the relevant EAEU CN FEA code, provided the asset is subject to export restrictions.

### Government Resolution on Amending Government Resolution No. 569-L of May 8, 2025 (No. 732-L, June 5, 2025, effective from June 7, 2025)

- Government Resolution No. 569-L amended Government Resolution No. 1176-L of August 1, 2024, concerning the support program for business operators providing slaughterhouse services. Based on the program's implementation process, the grounds for rejecting applications were clarified and revised. Additionally, a new support mechanism was introduced to partially reimburse the cost of slaughter services for large cattle to encourage expansion in slaughterhouse operations.
- This latest resolution replaces the program launch date from July 1, 2025, with June 6, 2025, and removes the requirement that the meat and by-products of the slaughtered animal be handed over to the animal's owner by the person who transported the animal to the slaughterhouse.

# Government Resolution on Approving the Procedure for Issuing an Opinion (Permitting Document) for the Export of Cultural Property for Processing under Customs Procedures Outside the Customs Territory (No. 734-N, June 5, 2025, effective from January 1, 2026)

- Until now, there was no legal regulation for the procedure of issuing an opinion (permitting document) for the export of cultural property for processing outside the customs territory.
- This resolution establishes the legal framework for exporting cultural property for processing purposes under customs procedures, covering:
- 1. State-owned cultural property permanently held in public collections;
- 2. Non-state-owned cultural property that is registered or subject to registration in the preservation list;
- 3. Cultural property not registered or not subject to registration in the preservation list.
- The authorized body will exercise oversight over the export of cultural property for processing purposes and the return of the processed item.

### Government Resolution on Amending Government Resolution No. 1266-N of October 29, 2015 (No. 721-N, June 5, 2025, effective from June 7, 2025)

- Due to the need to revise and expand the list of countries approved by Government Resolution No. 1266-N, titled "On Approving the List of Countries Whose Toxicological and Hygienic Assessment Test Results Are Accepted in the Republic of Armenia for the Registration of Pesticides Agrochemicals", the updated list now includes primarily European Union countries, EAEU member states, as well as Japan, Canada, the United Kingdom, Norway, Iceland, the State of Israel, and the United States.
- Given the strict oversight standards in those countries concerning the production, circulation, toxicological-hygienic testing, and use of pesticides, the Government confirmed that the test results conducted in their advanced laboratories and research centers can be considered reliable and may serve as a basis for registering pesticides and agrochemicals in the Republic of Armenia under the procedures defined by Armenian legislation.

### Government Resolution on Imposing a Temporary Ban on the Export of Whitefish Roe from the Republic of Armenia (No. 798-N, June 20, 2025, effective from July 7, 2025)

- A six-month ban has been imposed on the export of whitefish roe originating in the Republic of Armenia, classified under EAEU CN FEA codes 0302 91 000 0, 0303 91, 1604 32 001 0, and 0511 91 901 9.
- This measure applies exclusively to roe from the Salmonidae family that is of Armenian origin and is intended to regulate resource sustainability and ensure domestic supply.

### Government Resolution on Amending Government Resolution No. 1976-N of December 3, 2020 (No. 807-N, June 20, 2025, effective from September 1, 2025)

- Following amendments introduced by Law HO-491-N on December 4, 2024, to Article 381 of the Tax Code, the phrase "product description" in fiscal receipts was replaced by "HS Code" (i.e., "CN FEA Code").
- As a result, all references to "product description" in Resolution No. 1976-N have been replaced with "HS Code" to align with the Tax Code updates regarding the information to be printed on cash register receipts.

### Government Resolution on Amending Government Resolution No. 526-N of May 4, 2017 (No. 747-N, June 12, 2025, effective from June 13, 2025)

- Under the current regulation, a procuring entity may acquire technical maintenance services for a purchased item (including the necessary parts and accessories for such maintenance) from the manufacturer or its sole representative, via a single-source procurement procedure, when there is a special or exclusive right.
- However, in practice, there are cases where contracting authorities justify the need to purchase only the necessary parts for technical maintenance from the manufacturer or its sole representative, without procuring the maintenance services themselves.
- This amendment grants procuring entities the flexibility to make single-source purchases from the manufacturer or its sole representative for the following:
- 1. Only the parts/accessories necessary for technical maintenance, without purchasing the maintenance services;
- 2.Only the maintenance services, without acquiring the related parts/accessories from the same entity;
- 3. Both the maintenance services and the necessary parts, as allowed previously.

# Government Resolution on Approving the Licensing Procedure and License Forms for Organizing Gaming Activities in the Republic of Armenia (No. 855-N, June 26, 2025, effective from the day following six months after the operator is designated in accordance with Article 23(1) of the Law "On Regulation of Gaming Activities")

- Following the adoption of the Law on Regulation of Gaming Activities, Government Resolution No. 1164-N of July 29, 2004, titled "On Ensuring the Implementation of the Law of the Republic of Armenia on Games of Chance and Casinos", has been repealed.
- A new licensing procedure and license forms have now been established to align with the updated legal framework governing gaming operations in Armenia.

Government Resolution on Approving the Classification System (Taxonomy) of Green, Transitional, and Enabling Programs and Measures in the Republic of Armenia (No. 852-N, June 26, 2025, effective from June 27, 2025)

- The types of Green, Transitional, and Enabling Programs and Measures, their Priority Directions and Sub-Directions, as well as the Technical Compliance Criteria are defined.
- The main toolkit for ensuring the above includes initiatives aimed at improving the Legislative and Regulatory Framework, raising awareness among key stakeholders of the Program, cooperation with International Partner Institutions in the sector, as well as encouraging investments in Green Infrastructure.
- The main circle of Taxonomy Beneficiaries includes, but is not limited to, State Administration Bodies, International Financial Institutions, and representatives of the Private Sector, including Financial Organizations, Enterprises, Households, and Farming Entities.
- To ensure the implementation of the Taxonomy Framework, by the second quarter of 2026, it is planned to develop:
- 1.A package of Draft Amendments and/or Additions to existing Normative Legal Acts related to the Directions, Sub-Directions, Programs, and Measures provided by the Taxonomy, as well as Accountability Mechanisms;
- 2.A Procedure for conducting Verification of Green, Transitional, and Enabling Program and Measure Types, as well as General Requirements for Verifiers;
- 3. Where necessary, relevant Sectoral Guidelines, Technical Compliance Criteria, and Standards.

### Government Resolution on Amending and Supplementing Government Resolution No. 1106-N of July 20, 2006 (No. 816-N, June 20, 2025, effective from July 1, 2025)

- This resolution establishes procedures for the electronic submission of projects on permissible emission limits by economic entities to the competent authority, and for the electronic issuance, revocation, and rejection of emission permits by the competent authority through the "Digital Services Platform for Environmental Management."
- The issued permit includes a quick response (QR) code and a 16-digit tracking number. The validity of the permit can be verified either by entering the tracking number on the official document authenticity verification website (<a href="https://verify.e-gov.am/am/">https://verify.e-gov.am/am/</a>) or by scanning the QR code.

Government Resolution on Approving the Procedure for the Formation, Financing, and Implementation of Applications for Special Research and Experimental-Design Works for Military Needs (No. 821-N, June 20, 2025, effective from July 3, 2025)

- The processes of regulation and financing of Special Research and Experimental-Design Works (R&D/EDW) for military needs were not previously regulated by a Government Resolution and were instead carried out based on information contained in national military standards, the relevant provisions of the Law "On the Military-Industrial Complex," and various separate resolutions, which led to inconsistent interpretations and misunderstandings.
- This resolution regulates the procedures for the formation, financing, and implementation of R&D/EDW by the stateauthorized body in the field of military industry and by manufacturers of military or dual-use goods. It enables implementers to clearly understand the entire process, the roles of various state administration bodies, and the deadlines for addressing the application and related documentation.

Government Resolution on Imposing a Temporary Restriction on the Export of Iron and Non-Alloy Steel, Semi-Finished Products of Iron or Non-Alloy Steel, Steel in Alloyed Castings or Other Primary Forms, Refined Copper and Unprocessed Copper Alloys, Unprocessed Aluminum, Aluminum Powders and Flakes from the Republic of Armenia to Third Countries; and on Approving the Procedure and Conditions for Granting Export Licenses and the Template of the Main License (No. 795-N, June 20, 2025, effective from July 2, 2025)

- Aiming to encourage the production and export of goods with higher added value instead of raw materials, the Government has adopted a number of resolutions prohibiting the export of ferrous and nonferrous metal scrap, thereby promoting local processing of such scrap.
- For this reason, the export of products classified under EAEU CN FEA codes 7206, 7207, 7224, 7403, 7601, and 7603 to third countries is deemed a licensable activity, and a state duty rate has been set for such exports.
- The adopted procedure allows for the export of various batches under a single license, without the need to apply to the competent authority for each shipment.

Government Resolution on the Use of Passenger Transportation Services via Electronic Platforms by State Budget-Funded Bodies within the Territory of the Republic of Armenia in the Scope of Official Duties, and on Supplementing Government Resolution No. 2335-N of December 29, 2005 (No. 853-N, June 26, 2025, effective from June 28, 2025)

- The resolution provides that state budgetfunded bodies may use the services of companies or individual entrepreneurs (platforms) offering passenger transportation via electronic platforms within the territory of the Republic of Armenia, for the purpose of performing employees' official duties, and at the of state budget expense allocations designated for that purpose.
- The terms of service are defined by a contract between the respective body and the platforms, in accordance with the applicable legislation.
- The procedure for using the service, as well as the list of employees eligible to use the service, is approved and amended by an individual legal act issued by the Secretary General of the body, the Head of Staff, or another official authorized by law.
- Payments for services are made in accordance with the tariffs effective at the time of use.

Government Resolution on Imposing a Temporary Export Ban on Certain Goods from the Republic of Armenia to Non-EAEU Countries (No. 833-N, June 26, 2025, effective from July 5, 2025)

- This resolution imposes a temporary export ban for a period of six months on the export of certain agricultural products from the Republic of Armenia to countries that are not members of the Eurasian Economic Union (EAEU).
- The ban applies to goods classified under the following EAEU HS Codes: 1001 19 000 0, 1001 99 000 0 (wheat, meslin), 1003 90 000 0 (barley), 1005 90 000 0 (corn), 1008 10 000 (buckwheat), 1206 00 990 0 (sunflower seeds), and 1512 11 910, 1512 19 900 2, 1512 19 900 9 (sunflower oil).
- The export ban does not extend to goods that have been imported into the Republic of Armenia and declared under the "Reexport" customs procedure.

Government Resolution on Amending and Supplementing Government Resolution No. 1106-N of July 20, 2006 (No. 814-N, June 20, 2025, effective from September 1, 2025)

- This resolution provides that permits for the transportation of heavy, indivisible, and/or oversized cargo shall be issued exclusively in electronic form through the transport sector digital services platform at <u>transport.e-gov.am</u>.
- The responsibilities of the carrier during the permit issuance process are limited to entering the required information into the Platform.
- The functions prescribed by law for issuing permits are carried out electronically by the competent authorities within the Platform.
  An electronic version of the permit is generated, containing a QR code and a 16digit tracking number.
- The validity of the transportation permit and pass can be verified by supervisory authorities either by entering the tracking number on the official document verification website (<a href="http://verify.e-gov.am">http://verify.e-gov.am</a>) or by scanning the QR code.

Government Resolution on Imposing a Temporary Import Restriction on Cement into the Republic of Armenia, and on Approving the Cement Import Licensing Procedure and Standard License Form (No. 873-N, June 26, 2025, effective from July 21, 2025)

- By resolution No. 1871-N of November 28, 2024, temporary import restrictions were imposed for a six-month period on cement classified under EAEU CN FEA Code 2523 (excluding HS Codes 2523100000 and 2523210000).
- Specifically, importation under the customs procedures of "Release for Domestic Consumption," "Processing on Customs Territory," and "Processing for Domestic Consumption" was permitted only on the basis of import licenses.
- Aimed at ensuring continuity of state measures supporting the development of domestic production, this Resolution imposes a new six-month licensing requirement for cement imports from third countries. This follows the expiration of the term of Government Resolution No. 1871-N of November 28, 2024.

Government Resolution on Approving the Procedure for Issuing Export Licenses (Opinions) for Cultural Property (No. 864-N, June 26, 2025, effective from January 1, 2026)

- Currently, in order to export or temporarily export cultural property, individuals and legal entities are issued an opinion (permit document) granting the right to export or temporarily export such items.
- It is proposed to differentiate between the procedures for permanent export and temporary export, and to establish by this draft a procedure for issuing export licenses (opinions) for cultural property.
- The license will be issued for the customs clearance of cultural property under the relevant customs procedure, as well as for the transportation of cultural property to Eurasian Economic Union (EAEU) member states. The opinion will be issued for personal belongings of individuals intended for personal use.
- The adoption of this resolution is also aligned with the implementation of Armenia's "One-Stop, One-Window" foreign trade platform and the interoperability platform among state governance bodies.
- It is also envisaged to introduce corresponding amendments and additions to the Law "On State Duty." Taking this into account, the Resolution is set to enter into force on January 1, 2026.

Government Resolution on Approving the Procedure and Criteria for Issuing Export Licenses (Opinions) for Mineralogical and Paleontological Collections (Items) (No. 867-N, June 26, 2025, effective from January 01, 2026)

- This resolution ensures the legality of the movement and circulation of mineralogical and paleontological collections (items), prevents their illegal transfer and the unlawful transfer of ownership rights.
- It is envisaged to issue an export license (opinion) for mineralogical and paleontological collections (items) classified under the relevant codes of the EAEU Commodity Nomenclature of Foreign Economic Activity (CN FEA), for which an export restriction applies.
- This regulation is aligned with the requirements of Decision No. 125 of the Council of the Eurasian Economic Commission dated November 24, 2023.

Government Resolution on Approving the Procedure and Criteria for Issuing Opinions (Permit Documents) for the Temporary Export and Processing of Mineralogical and Paleontological Collections (Items) Under Customs Procedures Outside the Customs Territory (No. 870-N, June 26, 2025, effective from January 1, 2026)

- This new sub-legislative act will regulate the temporary export of mineralogical and paleontological collections (items).
- Individuals and legal entities will be issued an opinion (permit document) for the temporary export or export under customs procedures for the processing of mineralogical and paleontological collections (items) outside the customs territory.

#### Upcoming Changes to the Regulatory Framework

THE FOLLOWING DRAFT LAWS HAVE BEEN INCLUDED IN THE AGENDA OF THE NATIONAL ASSEMBLY REGULAR SESSIONS ON JUNE 17, 2025

#### On Supplements to the Tax Code of the Republic of Armenia (available here)

- Under the current regulations, the requirement to recalculate the previously credited VAT amounts for vehicles operated and subsequently disposed of for the purpose of car rental does not align with the original objectives pursued by the introduction of this rule.
- Moreover, it significantly hinders the activities of economic operators engaged in such services by imposing additional financial burdens.
- Within the framework of leasing agreements, transport vehicles falling under CN FEA code 8703, acquired by the lessor, are subsequently transferred to the lessee without reinstallation. Therefore, applying the specific rules for determining income from the disposal of such vehicles to those transferred under leasing agreements (of any type) is inappropriate.
- The proposed amendment aims to improve the tax environment for activities involving the provision of vehicles under rental or leasing arrangements.

#### On Ratifying the Loan Agreement Between the Republic of Armenia and the Asian Development Bank for the Resilient and Inclusive Road Section Improvement Program (available here)

- With the aim of enhancing transport connectivity between regions within the country, overcoming relative transport isolation, and realizing Armenia's transit potential, the Government of the Republic of Armenia has decided to implement the large-scale national construction program of the North-South Road Corridor.
- The construction of this strategically important road will ensure smooth travel from Armenia's southern border to the Georgian border and further to Black Sea ports.
- It will enable freight and passenger transportation in line with European standards and provide significant development opportunities to all settlements located along the south-tonorth route of Armenia.

### On Amendments and Supplements to the Law "On Service in the Police" and on Amendments to the Law "On the Rescue Service" (available <u>here</u>)

- It is proposed to eliminate the upper age limit for entering service in the Police.
- Within the framework of establishing the Unified Educational Complex of the Ministry of Internal Affairs of the Republic of Armenia, it is planned that community police officers will be trained under a system of continuous education within the scope of a vocational secondary education program. One of the admission requirements for this program will be at least one year of service after receiving vocational police education.
- Considering the time required to implement this process, and with the Criminal Police as a precedent, there is a need to develop and implement a one-year vocational training program for certifying community police officers. This program will be available to both citizens holding higher education degrees and current police officers.
- In addition, under the current law, a newly appointed officer in the Police is subject to certification no earlier than six months after their appointment. The draft proposes to amend Article 15, Part 7 of the Law of July 3, 2002, HO-401-N "On Service in the Police," to allow certification of newly appointed officers two months after their appointment.

#### On the Law on the State Population Register and on Amendments and Supplements to Other Laws (available <a href="here">here</a>)

- The adoption of the draft Law on the State Population Register is aimed at consolidating all data subject to inclusion in the population register into a single, unified information system.
- Other state bodies will utilize the Population Register to perform their functions.

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

- The objective of the proposed draft is to ensure the integrity of the product marking system using identification means, enhance the effectiveness of oversight measures, and contribute to the detection of tax violations.
- The draft proposes the following:
- 1.Replace the wording "compliance with the rules and procedures for recording foreign exchange purchase and sale operations," as provided in Part 3 of Article 335 of the Tax Code, with "verification of compliance with the requirements of the procedures and rules established by Articles 6 and 7 of the Law of the Republic of Armenia on Currency Regulation and Currency Control" in the list of issues subject to thematic tax audits.
- 2.Align the provisions regarding test purchases used for oversight, as outlined in Article 419 of the Tax Code, with the Code's general regulations by classifying them under the rules for thematic audits.
- 3. Establish that legal entities and individual entrepreneurs using cash registers (CRs) must, when selling goods marked with identification means, ensure the transmission of information related to such identification means to the tax authority's unified database through scanning the identifiers and printing the CR receipt, using the CR itself or associated software or technical means.
- 4. Define that in cases and under procedures established by the Government, the withdrawal of identification means from circulation for goods marked with identification means must be reported to the tax authority's unified database electronically.
- 5. Establish liability for legal entities or individual entrepreneurs who fail to transmit information to the tax authority's unified database regarding the withdrawal of identification means from circulation, or who transmit information that differs from the data subject to actual transmission.

# On Amendments and Supplements to the Law "On Ensuring Road Traffic Safety"; On Supplements to the Code of Administrative Offenses of the Republic of Armenia; and On Supplements to the Law "On State Duty" (available here)

- The adoption of these legislative drafts is driven by the need to improve the digitalization process of obtaining driver's licenses.
- The legislative package proposes allowing individuals to operate vehicles within the territory of the Republic of Armenia without the physical presence of a registration certificate or a driver's license, provided that those documents have been issued by the competent Armenian authorities.
- The proposed amendments will not eliminate the option of possessing physical copies of the registration certificate and driver's license but will ensure the possibility of issuing digital versions of these documents upon the applicant's request.
- The draft laws also propose introducing a state duty for the issuance of the digital versions of driver's licenses and registration certificates, equal to the amount of the state duty applicable for the issuance of their physical versions.

#### On Amendments and Supplements to the Law "On State Duty" (available <u>here</u>)

- The draft proposes to supplement Article 19.6 of the Law "On State Duty" by setting a state duty for the issuance of an import license for goods falling under commodity groups 7214 and 7215 of the "EAEU Foreign Economic Activity Commodity Nomenclature" (EAEU CN FEA), imported from third countries, in the amount of 29 times the base duty per ton.
- At the same time, a proposed amendment to Article 38 of the same law establishes that the prescribed state duty shall be nonrefundable, regardless of the actual outcome of the import process.
- The purpose of the draft is to ensure fair competition in the market of sector-specific goods, promote the implementation of longer production chains, and encourage the development of locally produced goods with higher added value.

### On Amendments and Supplements to the Criminal Code of the Republic of Armenia; and On Amendments and Supplements to Other Laws (available here)

- Under the current wording, Article 344 of the Criminal Code of the Republic of Armenia does not provide for liability in cases where a person without a valid driving license operates a vehicle. Moreover, while the Code of the Republic of Armenia on Administrative Offenses establishes administrative liability for driving by individuals who are not legally permitted to operate vehicles, it does not provide for appropriate consequences if the act is committed repeatedly or more than once.
- The proposed amendment introduces criminal liability for individuals who, within one year after being held legally accountable for driving without a license, commit the same act again.
- The legislative package also proposes a ban on the sale of items, devices, or tools that resemble cold weapons in appearance or structure and are intended for industrial, household, economic, educational, cultural, or decorative purposes to persons under the age of 18.
- Furthermore, the draft law "On Making Amendments and Additions to the Code of Administrative Offenses of the Republic of Armenia" proposes establishing administrative liability for individuals or entities who sell, or involve minors in the sale of, such items to persons under 18 years of age.

### On Amendments and Supplements to the Law of the Republic of Armenia "On Military Service and the Status of Servicemen" (available <a href="https://example.com/here">here</a>)

- According to the draft law, it is proposed to increase the duration of the basic leave granted to conscripts and junior noncommissioned officers in compulsory military service, and to introduce additional leave on the occasion of taking the military oath.
- For officers who have graduated from military educational institutions and are appointed to officer positions within the Ministry of Defense of the Republic of Armenia or the Border Guard Troops of the National Security Service of the Republic of Armenia, the current system of being provided with service housing will be replaced with the right to acquire residential real estate in ownership through mortgage lending, funded from the state budget and tailored to their needs.
- The conditions for the implementation of this process are also defined.

#### On Supplements to the Law of the Republic of Armenia "On Ensuring Road Traffic Safety"; On Amendments to the Code of Administrative Offenses of the Republic of Armenia (available <u>here</u>)

- The adoption of these laws is driven by the need to address issues caused by loud music emitted from additional amplifiers and speakers, as well as noise from re-equipped or non-standard mufflers. These sounds may disturb public peace and make it difficult to hear and respond to sirens of emergency vehicles, thereby hindering traffic safety.
- The draft proposes to prohibit the installation of additional amplifiers and loudspeakers in vehicles, as well as the use of mufflers that do not comply with standards.
- At the same time, the Code of Administrative Offenses will establish administrative liability for violating these requirements.

#### On Amendments and Supplements to the Law of the Republic of Armenia "On Combating Money Laundering and Terrorism Financing" and Other Related Laws (available here)

- The purpose of the amendments is to align the Law "On Combating Money Laundering and Terrorism Financing" with the revised standards of the Financial Action Task Force (FATF).
- The list of reporting entities will no longer include art dealers, auction organizers, and individual auditors.
- The definitions of "supervisory authority" and "beneficial owner" will be clarified.
- The concept of a trust will be revised based on the Hague Convention.
- All legal entities will be required to implement risk assessment procedures and adopt internal regulations.
- Mechanisms for customer due diligence, documentation, and oversight will be strengthened.
- Transparency in the governance structures of financial groups will be enhanced.
- Measures aimed at combating the financing of terrorism and weapons of mass destruction will be tightened.

#### On Amendments to the Law of the Republic of Armenia "On Language" (available <u>here</u>)

- The necessity of adopting the draft law on amendments to the Law "On Language" arises particularly from the need to establish a legal basis for regulating the use of translated and borrowed terms and proper names in official document circulation and legislation.
- It is planned to initiate the development of a draft "Procedure for Regulating the Use of Translated and Borrowed Terms and Proper Names in Official Document Circulation and Legislation," to approve the composition and rules of procedure of a commission formed for regulatory purposes, and to ensure a comprehensive approach to language standardization in Armenia's public and governmental domains.

# On Supplements to the Law of the Republic of Armenia "On Automobile Transport" and on Amendments to the Code of Administrative Offenses of the Republic of Armenia (available <a href="https://example.com/here">here</a>)

- The necessity of adopting these laws arises from the implementation of the phased liberalization program (2016–2025) for performing road freight cabotage transportations between points located within the territory of a Eurasian Economic Union (EAEU) member state by carriers registered in another EAEU member state.
- At present, the cabotage transportation liberalization program of the Union is not fully regulated under Armenian legislation.
- The goal of the program is to establish a common market of road transport services within the Union and to ensure that carriers of member states have easier access to road transport services across the entire territory of the Union, regardless of their nationality or country of registration.

# On Ratifying the Agreement Between the Government of the Republic of Armenia and the Government of the Russian Federation on the Operational Conditions of the Russian-Armenian University in the Republic of Armenia (available <a href="https://example.com/here/">here</a>)

 The agreement more clearly outlines the fundamental principles of governance of the Russian-Armenian University, as well as the principle of equal approach to the implementation of educational programs in accordance with the legislation of both the Republic of Armenia and the Russian Federation, with the aim of enhancing the effectiveness of educational and research activities.

Thank you!