ISSUE #5

Monthly Newsletter on Regulatory and Legislative Changes

BADASYAN CONSULTING

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CHANGES TO THE LEGISLATIVE FRAMEWORK

"On Making Amendments and Supplements to the Tax Code of the Republic of Armenia" HO-234-N, On Making Amendments to the Law of the Republic of Armenia on Establishing the Procedure for Cadastral Assessment Approximated to the Market Value of Real Estate for the Purpose of Real Estate Taxation HO-235-N (adopted: 06.05.2026, effective: 01.07.2026)

- Through the amendments made to the Tax Code, effective from July 1, 2026, the rules for accounting of transactions and operations expressed in foreign currency have been revised:

1. Regarding transactions for the supply of goods, performance of work, and/or provision of services (excluding import and export transactions), for the determination of tax bases, incomes, and acquisition costs, the basis shall be the average exchange rate published by the Central Bank (CB) as of the accounting date in accordance with the accounting method defined by the Code (currently defined as the date of issuance of the accounting document).
2. Regarding foreign currency exchange transactions, the calculation of income and expenses shall be performed as of the date of the foreign currency exchange, based on the average exchange rate formed on that day.
3. Regarding accounts receivable and accounts payable arising from provided or received prepayments, the basis for determining the initial values shall be the average exchange rate as of the date of their occurrence.
4. As the average exchange rate published by the CB for a given day, the average exchange rate published by the CB on the previous working day shall be taken as the basis, and for foreign currency exchange transactions, the average exchange rate published by the CB on that day shall be taken as the basis.

- Effective from July 1, 2026, issues related to the adjustment of transactions in the event of product returns have been regulated, and the possibility of transaction adjustment has been provided for all cases where the product that is the subject of the transaction is subject to return. Currently, the possibility of transaction adjustment is provided only for products with an expiration date and for cases where, at the time of acceptance, it is discovered that the product does not comply with the terms stipulated by the contract and is subject to return.
- Effective from January 1, 2027, cases have been regulated for taxpayers who are parties to a transaction to reflect the results of the adjustment when the adjustment results in a decrease or increase in the tax bases calculated from the transaction.
- Effective from July 1, 2026, a case for the cancellation of an accounting document has been provided for when the unit price of the product, the tariff for the work or service, or the total value reflected in the issued accounting document is subject to change in cases provided for by a written contract concluded between the parties to the transaction or by normative legal acts.
- Effective from July 1, 2026, issues regarding the reflection of obligations in the event of transaction adjustments for returns of acquisitions made via cash register (KKM) receipts shall also be regulated, providing that adjustments are reflected in the consolidated return submitted for the adjustment period, except for cases of increases in tax amounts, which must be reflected in the consolidated return for the reporting period including the date of supply.
- Effective from July 1, 2026, the limitation based on the statute of limitations (3 years following the year of the transaction execution) shall also apply to the cancellation of issued accounting documents.
- Effective from July 1, 2026, issues related to the fulfillment of Value Added Tax (VAT) obligations by taxpayers engaged in the production of agricultural products up to the VAT threshold (115 million AMD) have been clarified. The proposed amendment provides that:

1. Agricultural product producers are defined as the agricultural product producers established by the Code.
2. Agricultural product producers shall not calculate or pay VAT on supply transactions of such products, whereas they shall calculate and pay VAT on supply transactions of goods not considered agricultural products, performance of work, and/or provision of services.

- Article 88, Parts 4 and 5 of the Code establish minimum prices for the alienation of bottled goods classified under HS code 2207 and goods classified under HS code 2208, and Article 62 of the Code establishes the rules for determining the minimum base for VAT taxation. Effective July 1, 2026, these regulations shall be deemed repealed.
- According to Article 60, Part 1, Clause 1 of the Code as in effect until July 4, 2025, transactions and operations considered as objects of VAT taxation included the performance of work and/or provision of services, while for the purposes of the application of the same clause, the provision of services was deemed to be, in particular: the granting of a loan, the alienation of an intangible asset, and the granting of the use of an intangible asset. Amendments made to the Code (effective from July 4, 2025) provide that, for the purposes of the application of the same clause, the alienation of a financial asset is also considered the provision of a service. With this amendment, an exception regarding the alienation of financial assets in terms of being considered an object of VAT taxation has been made regarding the assignment of the right to a monetary claim, which has been given retroactive force; the exception is effective from July 4, 2025. At the same time, the same amendment has been made regarding the object of taxation for turnover tax.
- Pursuant to Articles 62 and 109 of the Code, an exception to the rule requiring the calculation of the VAT base or income from alienation of buildings, structures (including unfinished, semi-constructed ones), residential or other premises, and land plots at no less than 80 percent of the real estate tax base has been established for alienation transactions of unfinished or semi-constructed buildings constructed by a developer under a construction right, for which the construction permit period has expired or been extended. This regulation has been given retroactive force and applies to relations arising from January 1, 2023.
- Effective from July 1, 2026, transactions exempt from VAT have been clarified, as follows:

1. The provision of training services within the framework of non-formal educational programs implemented in accordance with the procedure established by the Government shall be exempt from VAT.
2. The VAT exemption privilege shall also apply to the supply of goods by way of donation to communities (currently, only donations to the state are exempt from VAT, while donations to communities are not, and pursuant to Government Resolution N402-N of 12.01.2018, the tax base is 0 AMD). Furthermore, restrictions on VAT offsets related to transactions exempt from VAT regarding the supply of goods by VAT payers to the state or a community by way of donation, based on Government resolutions, shall not apply.
3. Currently, a VAT exemption privilege is established for the provision of services by state administration bodies and/or local self-government bodies for which the payment of state duty and/or local duty is established by law. It has been established that the privilege applies regardless of who provides the service, and at the same time, it has been clarified that the privilege applies to the corresponding state duty or local duty paid.
4. It has been clarified that services in the tourism sector provided to foreign tourists are exempt from VAT if they are provided by a tour operator or a travel agent.

- Effective from January 1, 2027, it is established that the obligation to calculate and pay VAT is borne by a non-resident organization registered with the tax authority that does not have a permanent establishment in the Republic of Armenia (RA), if the party to the contractual relations is an organization or individual entrepreneur not considered a VAT payer (current regulations are established for cases where the parties to the transaction are turnover tax payers or subjects of micro-entrepreneurship) or if the non-resident organization without a permanent establishment in the RA provides electronic services to a natural person who is not an individual entrepreneur or a notary. The same regulations regarding the reporting period, tax payment, and deadlines for submitting tax returns shall be applied for the calculation of tax obligations regarding VAT by a non-resident organization without a permanent establishment.

- Effective from January 1, 2027, except in cases where an accounting document has been cancelled on the grounds of being issued to another person or due to a violation of any of the restrictions, in other cases of cancellation, in place of the cancelled tax invoice:

1. The VAT amount separately stated in the new tax invoice validated by the acquirer shall be reflected in the consolidated return for the reporting period in which, according to the general rule established by Article 71 of the Code, the VAT amount separately stated in the cancelled tax invoice would have been subject to offset (deduction).
2. The VAT amount separately stated in the new tax invoice issued by a person considered a VAT payer shall be reflected in the consolidated return for the reporting period in which, according to the procedure established by Article 71 of the Code, the VAT amount separately stated in the cancelled tax invoice would have been subject to offset (deduction).

- Effective from January 1, 2027, the provision related to the payment of excise tax amounts to customs authorities for goods having the status of EAEU goods, which are subject to excise taxation and marking with excise stamps, imported into the RA from EAEU member states, has been revised. It has been provided that these amounts must also be paid to the state budget as amounts payable to the tax authority by the 20th day of the month following the month including the day of importing the goods into the territory of the RA, inclusive.
- Effective from July 1, 2026, it is provided that when determining the tax base for profit tax, the initial or carrying values of assets after their acquisition shall not be adjusted by VAT amount adjustments defined by all parts of Article 73 of the Code, rather than only by parts 2 and 4. For a profit tax payer, income shall be considered the amounts added to the VAT amounts subject to offset (deduction) in accordance with Article 73 of the Code (rather than only Part 4), if those amounts have been recognized as a deduction from gross income for the purpose of profit tax taxation. For a profit tax payer, expenses shall be considered the amounts deducted from VAT amounts subject to offset (deduction) in accordance with Article 73 of the Code (rather than only Part 2), if the expenses related to the assets mentioned in the same part are subject to deduction from gross income for the purpose of determining the tax base.
- Effective from July 1, 2026, it is established that when a profit tax payer distributes or alienates its shares, participations, or stakes, the positive difference between the distribution (alienation) price and the nominal value is not considered income.
- Effective from July 1, 2026, regulations regarding the accrual of interest income have been clarified by providing discretion regarding the accrual of interest income, stipulating that the right to receive interest income is considered acquired either as of each day of interest calculation or at the moment the term of the debt expires.
- Effective from July 1, 2026, income shall also include income received as a result of applying an exchange rate different from the average exchange rate formed in currency markets published by the Central Bank of the Republic of Armenia (RA) as of the date of sale or acquisition of foreign currency when conducting foreign currency exchange transactions. At the same time, expenses shall include costs incurred as a result of applying an exchange rate different from the average exchange rate formed in currency markets published by the Central Bank of the RA as of the date of sale or acquisition of foreign currency when conducting foreign currency exchange transactions.
- Effective from July 1, 2026, the provision limiting the deduction of expenses related to electricity production used for internal economic purposes by autonomous energy producers has been revised. It is established that the initial value of electricity received in the form of equal flows in return for electricity supplied to a person holding an electricity distribution license shall be determined by the amount of expenses incurred by the autonomous energy producer for the production of the supplied electricity.
- Effective from July 1, 2026, representative expenses have been clarified: when determining the tax base, representative expenses are deducted from gross income in an amount not exceeding 0.5 percent of the gross income of the tax year, but not more than five million AMD, except for the tax year of state registration (or registration in cases stipulated by law), or registration as an individual entrepreneur, or appointment as a notary, when the part of representative expenses exceeding five million AMD is not deducted from gross income when determining the tax base.
- Effective from July 1, 2026, the norm for deduction of qualitative losses for dairy products subject to marking from gross income has been revised, establishing that the specified loss is subject to deduction from gross income in an amount not exceeding 2% of the gross income.

- Effective from July 1, 2026, within the framework of the cash method of accounting for the object of profit tax taxation from income paid to a non-resident, the assignment of the right to claim the receipt of income from the tax agent to another person shall be considered as payment of income (current regulations provide for assignment to a person who is not a tax agent). At the same time, it has been clarified that the forgiveness of the right to claim the receipt of income to a non-resident is considered payment.
- Effective from July 1, 2026, regulations for accounting of income of natural persons by the cash method are being revised, approximating them to the regulations established for non-residents. Accounting for the object of income tax taxation by the cash method shall be carried out in the manner established by Article 132, Part 2 of the Code, except for the accounting of income in the form of dividends. Thus, what shall be considered as payment of income, which serves as the basis for the calculation of tax, is:

1. Cash or non-cash monetary payment, including payments made in installments, regardless of the circumstance of the emergence of the right to receive income.
2. Compensation in other property.
3. Mutual set-off (discharge) of accounts receivable and payable.
4. Restructuring or novation of debts.
5. Assignment of the right to claim the receipt of income from the tax agent to another person.
6. Forgiveness of the right to claim the receipt of income to a non-resident.

- Transitional provisions have been established regarding the application of regulations for being considered a VAT payer and registering as a VAT payer (applicable to relations arising from January 1, 2022):
- If, during any year between 2022 and 2025, a taxpayer ceased to be considered a micro-entrepreneurship subject or a turnover tax payer, or if a non-profit organization or an agricultural producer exceeded the VAT threshold during any year but did not submit an application for being considered a VAT payer and for registration as a VAT payer and was not registered as a VAT payer, they may apply to the tax authority until December 21, 2026, inclusive, for the opportunity to submit the application. The application is submitted on paper or via email, in accordance with the form established by the tax authority.
- Based on the application, a taxpayer who submits an application for being considered a VAT payer and for registration as a VAT payer until December 31, 2026, inclusive, shall be registered by the tax authority as a VAT payer starting from the appropriate periods.
- VAT liabilities imposed by administrative acts on the basis of non-registration as a VAT payer by the tax authority are subject to recalculation.
- VAT liabilities imposed by the tax authority on the basis of non-registration as a VAT payer in administrative acts challenged in court are also subject to recalculation, including in cases where there is a final judicial act that resolves the case on its merits.
- Pursuant to the Law "On Establishing the Procedure for Cadastral Valuation Approximated to the Market Value of Real Estate for Real Estate Tax Purposes," it has been clarified that the coefficient characterizing the degree of completion shall not apply to apartments located in apartment buildings under construction, non-residential premises of apartment buildings, garages located in apartment buildings, and buildings of public and industrial significance, in settlements other than border settlements included in the list established by the Government, if the construction permit period for said apartment building has expired or been extended. In such cases, the coefficient characterizing the degree of completion is set at 1.0, and the valuation is carried out based on the planned apartments located in the apartment building, non-residential premises of the apartment building, garages located in the apartment building, and buildings of public and industrial significance.

On making amendments and supplements to the Law "On Joint-Stock Companies" HO-192-N (adopted on 11.05.2026, effective: 15.05.2026):

- A key amendment grants owners of voting shares the right to demand that the company repurchase their shares in a number of new cases. Specifically, a repurchase request may be submitted if the decisions, actions, or inaction of the company or its controlling shareholder lead to clearly unfavorable consequences for minority shareholders or provide the controlling shareholder with a disproportionate advantage.
- Protective mechanisms are also introduced for management transparency: the right to repurchase arises if an annual general meeting has not been convened for at least three years out of the last five, reports and profit distributions have not been approved, or if the company has not paid dividends in the last five years.

- The concept of a "controlling shareholder" is introduced, referring to a person who directly or indirectly possesses 50 percent or more of the votes or predetermines the company's decisions.
- It is established that only persons meeting the criteria set by the Government may carry out the valuation of the market value of shares. These regulations shall also apply to already established companies, and the law shall enter into force one month after its official publication.

“On making amendments and supplements to the Tax Code of the Republic of Armenia” HO-200-N (adopted on 06.05.2026, effective: 01.07.2026):

- Article 62, Part 6 of the Code establishes the rules for determining the VAT tax base in the case of transactions involving the supply of goods, performance of work, or provision of services free of charge or for compensation significantly lower than the fair value.
- The tax base is considered to be 80 % of the fair value of the transaction, except for transactions carried out through public auctions, as well as transactions carried out at a value lower by the amount of a commercial discount specified in a pre-adopted written act or other pre-adopted legal act of the taxpayer, provided that this commercial discount is reflected in the accounting documents issued by the taxpayer within the period established by those acts.
- An exception to these rules has been established for the following cases: In the case of subsequent alienation to an individual of a vehicle acquired from an individual by an organization holding a trade-in license, the VAT tax base is considered to be the positive difference between the tax base calculated at the time of alienation and the acquisition price. Starting from July 1, 2026, the exceptions established by Article 62, Part 6 will not apply to these transactions. In the case of transactions with compensation free of charge or at a value significantly lower than the fair value, the VAT tax base will be determined by the amount of the positive difference between 80 percent of the fair value of the transactions and the acquisition price (reductions of the tax base by the amount of commercial discounts will not be made), and the fair value of the transaction will be determined by the general rules established by the same article.
- The specifics of determining the VAT tax base established by Article 62 of the Code are supplemented by new rules for calculating the VAT tax base in the case of the alienation of items made of gold, including items made of gold and precious stones.
- For alienation transactions carried out by a manufacturer, the VAT tax base is the positive difference between the tax base calculated under general rules (or 80 percent of the fair value in cases of transactions free of charge or for compensation significantly lower than fair value) and the acquisition price of gold and precious stones used for the production of the item, substantiated by documents defined by the Code. The base calculated in this manner cannot be less than 10 percent of the tax base calculated under general rules or 80 percent of the fair value of said transactions.
- For alienation transactions carried out by persons engaged in trading (buy and sell) activities, the VAT tax base is the positive difference between the calculated tax base (or 80 percent of the fair value) and the acquisition price of the item (including VAT), substantiated by documents defined by the Code.
- Restrictions on offsets (deductions) provided for in Article 72, Part 1 of the Code have also been supplemented: persons engaged in trading (buy and sell) activities of items made of gold (including gold and precious stones) do not perform VAT offsets (deductions) in the amount of VAT specified in the tax invoice, import customs declaration, or import tax declaration for the acquisition of these items, which are attributable to the alienation transactions of these items.
- The law enters into force on July 1, 2026. According to the transitional provisions, it applies to transactions for the alienation of items made of gold (including gold and precious stones) performed after July 1, 2026, as well as to the VAT amounts specified in tax invoices or import customs declarations or import tax declarations for acquisitions attributable to those transactions. Moreover, for the purpose of calculating the VAT tax base for persons engaged in trading activities, the VAT amount is not included in the acquisition price of items made of gold acquired before July 1, 2026, and substantiated by documents defined by the Code.

On amendments to the law "On Identity Documents" and related laws HO-210-N (adopted on 11.05.2026, effective: 22.05.2026):

- The package of law will regulate the main relations associated with identity documents through a single unified law, which defines the types of identity documents in Armenia, as well as the legal bases for their issuance, rejection, invalidation, and the processing of biometric data. According to the law, the primary documents are the citizen's passport, which is intended for exiting and returning to Armenia, and the identification card, which is used within the territory of the country.

- In addition, identity documents include diplomatic passports, residence permits for foreigners, and certificates and travel documents for refugees and stateless persons. Under the new regulation, these documents contain an electronic storage medium that includes the person's biometric data: a photograph, signature, and fingerprints. Fingerprints are taken from age 6, signatures from age 16, and photographs regardless of age.
- The process of issuing documents will be carried out through a unified electronic platform, managed by the state authorized body in the field of migration and citizenship. The system will automatically check the compliance of the data provided by the applicant with the State Population Register. Persons who have reached the age of 16 apply for an identity document in person, while in the case of those under 16 or incapacitated persons, through a legal representative. The issuance period is usually 14 working days, and when applying in a foreign state, from 14 to 45 working days. The Government may also establish the possibility of collection of biometric data in shorter timeframes for an additional fee or at the person's place of residence.
- According to the new law, persons who have received special residence status will no longer be issued a "special passport". Instead, they will be provided with a residence card, where a special note will be made regarding the person's special residence status.
- Special passports issued before the entry into force of the law will continue to be valid for their entire validity period.If, during that period, the person applies for a new document, they will be issued the aforementioned new residence card.
- The new law will enter into force on the tenth day following the announcement regarding the launch of the unified electronic platform, but no later than November 1, 2026.
- Identity documents issued before that date will continue to be valid until the expiration of their validity period.
- From the moment the law enters into force, the laws "On the Passport of a Citizen of the Republic of Armenia" and "On Identification Cards" shall be declared null and void.

On making amendments and supplements to the Law "On State Support for the High-Tech Sector" HO-221-N and On recognizing the Law "On State Support for the Information Technology Sector" as null and void HO-222-N (adopted on 07.05.2026, effective: 30.05.2026)

- The amendments to the Law "On State Support for the High-Tech Sector" remove regulations related to the provision of state support for hired employees performing work under civil law contracts.
- The concept of a "new employee" is redefined: a new employee is a hired employee performing professional work who has not been a hired employee of an employer operating in the high-tech sector during the 4 years preceding the year of employment, and has been hired by an employer operating in the high-tech sector after December 31, 2024.
- In cases and procedures defined by law, the right to support is also granted to a branch or representative office of a foreign legal entity registered in the Republic of Armenia.
- State regulations and procedures have been revised, specifically regarding the provision of state support to economic entities engaged in activities eligible for support, which is provided:.

1. for the engagement of new employees: in the amount of 60 percent of the income tax calculated on their salaries and other payments equated thereto. The status of a new employee is maintained from the 1st of the month in which the new employee is hired for professional work within the meaning of the law, until the last day of the month including the day the third year, calculated in calendar days, is completed.
2. for the training and retraining (hereinafter: retraining) of personnel performing professional work necessary for carrying out activities eligible for support: in the amount of 50 percent of the income tax calculated during the reporting period on the salary and other payments equated thereto of a hired employee performing professional work who has undergone retraining.

- The economic entity bears the risk of calculating the salary and other payments equated thereto, which serve as the basis for providing support, as well as the risk of changes and the risk of not transferring state support funds to the labor migrant.
- When providing support, for hired employees benefiting from the tax privilege under Article 150, Part 1.1 of the Code (a 10 percent income tax rate), the basis for calculating the amount of support, instead of the income tax amount calculated for the reporting period, shall be the value equivalent to 20 percent of the salary and other payments equated thereto for the same period.

- The economic entity bears the risk of calculating the salary and other payments equated thereto, which serve as the basis for providing support, as well as the risk of changes and the risk of not transferring state support funds to the labor migrant. When providing support, for hired employees benefiting from the tax privilege under Article 150, Part 1.1 of the Code (a 10 percent income tax rate), the basis for calculating the amount of support, instead of the income tax amount calculated for the reporting period, shall be the value equivalent to 20 percent of the salary and other payments equated thereto for the same period.
- In case of approval for the provision of state support, a contract shall be concluded between the support recipient, or the mediator and the authorized body in the case of a labor migrant, while in case of rejection, the administrative act on the rejection of the provision of state support shall be submitted to the applicant via the platform in the form of a letter from the authorized body.
- The Law enters into force on May 30, 2026, and applies to reporting periods beginning on January 1, 2026. After the Law enters into force, the economic entity may apply for state support for a new employee who has entered the high-technology sector after January 1, 2025, provided that the economic entity that was the former employer of the given new employee has not received state support in respect of them.
- The Law of the Republic of Armenia "On State Support for the Information Technology Sector" is repealed.

On Making Amendments and Supplements to the Criminal Procedure Code of the Republic of Armenia, HO-206-N (adopted: 06.05.2026, effective: 04.06.2026)

- It is intended to make a supplement among secret investigative actions and to provide for controlled delivery and purchase, which is the control of the circulation of goods and services by purchasing goods and services or selling such.

On Making Amendments to the Tax Code of the Republic of Armenia HO-207-N, On Making Amendments to the Criminal Code of the Republic of Armenia HO-208-N, On Making Supplements to the Criminal Procedure Code of the Republic of Armenia HO-209-N (adopted: 06.05.2026, effective: 08.06.2026)

- With the amendments made to the Tax Code of the Republic of Armenia, the scope of a camera (internal) examination, in terms of examination and analysis, shall include not only tax returns and information submitted to the tax authority but also other information that has become known to the tax authority. Under the current regulations, the basis for conducting a thematic examination by the tax authority can be the results of exclusively a camera (internal) examination conducted by the tax authority regarding definitively known taxable transactions. The term "definitively known" has been removed from this regulation. Currently, a mandate for thematic examinations for each taxpayer can be issued no more than once during each tax year. This restriction no longer exists, and a thematic examination can be carried out in the presence of appropriate grounds.
- Currently, the Criminal Code of the Republic of Armenia provides for criminal liability for failure to pay taxes, duties, or other mandatory payments in case of exceeding 10 million drams (large amount) and 20 million drams (especially large amount). The above-mentioned thresholds have been revised by the amendment. A "large amount" shall be deemed the amount of taxes, duties, or other payments exceeding 30 million drams during one tax year, or the amount of taxes, duties, or other payments exceeding 45 million drams during two consecutive tax years. An "especially large amount" shall be deemed the amount of taxes, duties, or other payments exceeding 50 million drams during one tax year, or the amount of taxes, duties, or other payments exceeding 75 million drams during two consecutive tax years.
- At the same time, a problem currently often arises when the tax authority files a criminal report immediately during an administrative dispute, while the administrative act can still be appealed and invalidated. In practice, the tax authority will submit a report to initiate criminal proceedings only when the administrative act has entered into force and all stages of administrative appeal have been exhausted.

On Making Amendments and Supplements to the Law of the Republic of Armenia on "Medical Care and Service to the Population," HO-199-N (adopted: 06.05.2026, effective: 31.05.2026)

- Strict restrictions are envisaged for the heads of executive bodies of state and community medical organizations, who are prohibited from holding other positions or performing other paid work, with the exception of scientific, pedagogical, and creative activities. As an exception, it is provided that directors of mental health centers may continue their medical practice as psychiatrists, and heads of other institutions as therapists, pediatricians, or family physicians. Heads are also prohibited from personally engaging in entrepreneurial activities, receiving gifts related to their duties, or acting as representatives of third parties in relations with the body that appoints them.
- It is also provided that directors are obliged to ensure the implementation of institutional development programs and to submit clear reports periodically to the authorized bodies. Failure to fulfill these obligations or submitting reports in violation of the established procedure becomes a legal basis for terminating the employment contract or applying disciplinary penalties.
- In addition, differentiated requirements are introduced for candidates for directors, depending on the number of residents the given medical center serves. In the case of institutions serving a large number of the population, a longer managerial experience and higher education are required, while requirements for institutions serving small settlements are correspondingly mitigated. The legal prohibitions, the presence of which prevents a person from holding a managerial position, are clarified, including criminal records, bankruptcy, being declared incapacitated by court order.

On Making Supplements and Amendments to the Law of the Republic of Armenia on "Energy" HO-228-N, On Making a Supplement to the Law of the Republic of Armenia on "Licensing" HO-229-N, and On Making a Supplement to the Law of the Republic of Armenia on "State Duty" HO-230-N (adopted: 11.05.2026, effective: 04.12.2026)

- Energy storage is defined as the postponement of the use of generated electricity or its conversion into a storable form for subsequent use. It is also defined as a new type of activity subject to licensing, including the construction and storage phases of the plant. Licensed persons may construct or reconstruct storage plants, buy and sell electricity in the wholesale market, and provide storage services.
- At the same time, storage in plants with a capacity of up to 1 MW, as well as activities carried out exclusively for own needs in plants with a capacity of more than 1 MW, are not licensed. By virtue of the law, such entities become participants in the electricity market. Licenses may be granted with or without a guarantee, including through a tender. Restrictions are also established according to which persons holding transmission and distribution licenses cannot engage in storage, except in special cases. Provision is made for the submission of financial guarantees for obtaining a license and for the extension of deadlines; in case of non-fulfillment of obligations, they may be transferred to the state budget, except in cases of force majeure. In the field of renewable energy, in some cases, obtaining a license requires renouncing the state guarantee for the purchase of electricity, which cannot be restored later.
- The Law of the Republic of Armenia on "State Duty" defines the rates of state duty charged for energy storage activities, which are differentiated according to the life cycle phases of the plant and capacity:

1. For the period of construction or reconstruction of new storage capacities in the electric power system: in the amount of 100 times the annual base duty;
2. For the storage activity phase, based on the installed capacity of the plant, for example, for plants with a capacity of up to 15 megawatts: in the amount of 100 times the annual base duty.

On Making Amendments and Supplements to the Law of the Republic of Armenia on "Compulsory Motor Third Party Liability Insurance," HO-104-N (adopted: 25.03.2026, effetcive: 17.05.2026)

- The proposed amendments suggest defining mopeds, tricycles, and quadricycles as motor vehicles, and also supplement the liability arising from vehicles not subject to compulsory insurance.
- Specifically, liability arising from the use of motor vehicles shall not be subject to compulsory insurance if their maximum engine displacement and maximum developed speed, or maximum engine power and maximum developed speed, do not exceed the threshold provided for being subject to state registration in the procedure established by the Government of the Republic of Armenia.

*This section includes those laws that were adopted earlier but enter into force in May. Laws adopted in May and entering into force in the same month are presented in the first section of the newsletter and are not repeated in this section.

CHANGES TO GOVERNMENT RESOLUTIONS

On Defining the List of International Standards Applicable in the Field of Cybersecurity (N 662-N, adopted: 14.05.2026, effective: 15.05.2026)

- A mandatory list of international standards applicable in the field of cybersecurity is defined in Armenia, which applies to critical infrastructure of vital sectors, cybersecurity service providers, and auditors. ISO/IEC 27001 has been established as the primary standard for the energy, transport, healthcare, finance, and public administration systems. Specialized standards have been defined for certain functions: PCI DSS becomes mandatory for payment card data processing, ISO/IEC 27701 for personal data, and the ISA/IEC 62443 series for the operation of industrial systems (OT/ICS).
- Additional requirements and guidelines have been set for cybersecurity service providers based on the type of activity (e.g., digital forensics, penetration testing, cloud security). Clear criteria for qualification and activities have also been established for audit organizations and individual auditors.

On Making a Supplement to the Government of the Republic of Armenia Resolution N 596-N of March 19, 2015 (N 728-N, adopted: 27.05.2026, effective: 28.05.2026)

- It is intended that when carrying out a state comprehensive expertise of urban planning documents, the expert conclusion shall be provided before the completion of the environmental impact assessment expertise of the construction of the facility under construction, which will allow for the promotion of the construction of artificial intelligence data centers in the Republic of Armenia in a more condensed timeframe and in a simplified manner.
- It is expected that all potential investments aimed at the creation and development of high technologies of strategic importance in the economy of the Republic of Armenia will be implemented in the most simplified and accelerated manner possible.

On Approving the Procedure for the Creation and Application of the Data Exchange Layer of the State Information System (N 767-N, adopted: 27.05.2026, effective: 02.06.2026)

- In order to ensure the development of the digital economy in Armenia and secure interoperability between the information systems of state bodies, the Law on "Public Information" has been adopted, the implementation of which is ensured by this resolution, approving the procedure for the creation and application of the data exchange layer of the state information system.
- The new regulations imply broad inclusion:

1. State and local self-government bodies: the law applies mandatorily to all state and local self-government bodies that collect, process, and manage databases.
2. Public service providers: the regulations also apply to legal entities in the public services sector within the meaning of the Law on the "Public Services Regulatory Body."
3. Private sector: the law also extends to information systems belonging to legal or natural persons operating on a contractual basis, through which the identification of a natural person is carried out during the provision of services.

- The procedure for the application of the data exchange layer and certain provisions of the law do not extend to the following systems:

1. Information systems containing state and official secrets,
2. Databases of information protected by international treaties,
3. Databases of the Ministry of Foreign Affairs, Ministry of Defense, National Security Service, and Foreign Intelligence Service, through which services are not provided to legal and natural persons.

- The adoption of this procedure will form a unified, secure, and standardized environment for data exchange between state information systems. Specifically, unified requirements for the security, integrity, and accessibility of data exchange will be ensured. A traceability mechanism will be introduced through the use of logs and electronic seals.
- Furthermore, a foundation will be created for automated, rapid digital interaction, reducing duplicate data collection, paperwork, and risks caused by the human factor.
- The responsibility for managing and developing the data exchange layer, as well as ensuring its uninterrupted and secure operation, shall be assigned to the Information Systems Regulatory Commission.

On Making Amendments and Supplements to the Government of the Republic of Armenia Resolution N 171-N of February 13, 2020 (N 701-N, adopted: 21.05.2026, effective: 31.05.2026)

- Government Resolution N 171-N of 13.02.2020 defines the clear commercial quantities of goods imported to Armenia by or addressed to natural persons who are not individual entrepreneurs. The norm related to the obligation to submit an import tax declaration has been clarified, as well as the list of goods whose import into the territory of Armenia is regulated by procedures established by the laws of Armenia and Government resolutions.

- It is provided that in case of import of EAEU goods into the territory of the Republic of Armenia from EAEU member states in quantities exceeding the thresholds defined by the annex to the resolution, a notification is delivered to the natural person in person or by mail on the day the customs authorities become aware of this circumstance, in order to submit an import tax declaration and pay indirect taxes in the manner prescribed by law until the 20th day of the month following the month of import.
- The import into the territory of the Republic of Armenia from EAEU member states of goods classified under EAEU HS codes 1211, 151530 9000, 1520 00 000 0, 2501, 2712 10, 2804 40 000 0, 281000, 2817 00 000 0, 2827 20 000 0, 2827 51 000 0, 2827 600000, 2833 21 000 0, 2833 27 000 0, 2847 00 000 0, 2904-2909, 2912-2942000000, 2106 90 930 0, 2106 90 980 3, 2106 90 980 8, goods classified under Chapter 30 (pharmaceutical products/medicines), heading 3913, and Chapters 93 and 97 is regulated by procedures established by the laws of the Republic of Armenia and Government resolutions.

On Making an Amendment to the Government of the Republic of Armenia Resolution N 1231-N of July 14, 2005 (N 680-N, adopted: 21.05.2026, effective: 31.05.2026)

- Government Resolution N 1231-N of 17.07.2005 provides that central and local registers provide individual registration data of citizens to the state administration system, local self-government bodies, law enforcement agencies, and notaries on the basis of written or electronic requests. Since, starting from the 2025 reporting year, all adult citizens of the Republic of Armenia are obliged to submit annual income tax returns, the tax authority must automatically pre-fill them based on the data available in its information database.
- For this purpose, the Ministry of Internal Affairs of the Republic of Armenia shall provide the tax authority with the individual data of all adult citizens registered in the State Population Register as of December 31 of the given reporting year. The transfer of data is necessary to provide citizens with Taxpayer Identification Numbers (TIN) and to ensure the pre-filling of declarations. According to the new regulation, the central and local units of the State Population Register will provide citizens' data to the tax authority without additional requests.

On Making Amendments and Supplements to the Government of the Republic of Armenia Resolution N 1676-N of December 20, 2012 (N 696-N, adopted: 21.05.2026, effective: 31.05.2026)

- In accordance with the procedure established by the Tax Code of the Republic of Armenia, the tax authority automatically pre-fills income tax returns based on the data available in its information database. In accordance with the adopted amendments, henceforth, the National Security Service (NSS) will provide information regarding the periods of citizens' stay in the Republic of Armenia during the tax year, which is necessary for correctly determining tax residency.
- The Ministry of Justice and the Migration and Citizenship Service will transfer data regarding family members of natural persons to the tax authority. The Unified Social Service will provide information on pensions and state benefits paid. The entire process will be carried out exclusively in electronic format.

On Defining In-Kind Thresholds for the Import of Goods for Personal Use by Natural Persons Not Acting as Individual Entrepreneurs into the Territory of the Republic of Armenia from States Not Members of the Eurasian Economic Union without Payment of Customs Duties and Taxes (N 715-N, adopted: 21.05.2026, effective: 01.09.2026)

- EEC Council Resolution N 107 of December 20, 2017, defines value, weight, and (or) quantity norms within which goods for personal use are imported into the EAEU customs territory without the payment of customs duties and taxes. A clear threshold is defined only for tobacco and alcoholic beverages, while for other goods, the established threshold is general:

1. For goods transported in luggage by air transport, a threshold of an amount equivalent to 10,000 euros and a weight of 50 kg is set;
2. For goods transported in luggage by transport other than air transport or by pedestrians, a threshold of an amount equivalent to 500 euros and a weight of 25 kg is set. Note that Government Resolution N 1206-N of 08.08.2024 established a stricter threshold of an amount equivalent to 200 euros and a weight of 10 kg;
3. For goods shipped by a carrier, a threshold of an amount equivalent to 200 euros and a weight of 31 kg is set.

- According to Article 256, Clause 5 of the EAEU Customs Code, the EEC is entrusted with defining the quantitative characteristics of criteria for classifying goods imported from states not members of the EAEU as goods for personal use, but they have not yet been defined. At the same time, until such quantitative characteristics are provided by the Commission, the issue must be regulated through a risk management system, the information of which is confidential and not subject to publication, which creates difficulties for customs administration and awareness regarding declaration and payment of customs duties and taxes during border crossing.
- The submitted resolution has defined the in-kind and (or) value thresholds for the import of goods for personal use into the territory of the Republic of Armenia from third countries without the payment of customs duties and taxes, taking into account the following approaches:

1. Regarding thresholds indicated in kilograms, the minimum threshold has been set based on the 10 kg weight threshold established by Government Resolution N 1206-N of 08.08.2024.
2. Regarding thresholds indicated in kilograms, the maximum threshold has been set based on the maximum 51 kg weight threshold established by EEC Council Resolution N 107 of 20.12.2017.
3. Thresholds indicated in other units of measurement have been set based on experience, as well as the thresholds established for EAEU by Government Resolution N 171-N of 13.02.2020.

- Thus, effective from September 1, 2026, the annex to the resolution establishes in-kind thresholds for the import of goods for personal use into the territory of Armenia by natural persons not acting as individual entrepreneurs from states that are not members of the EAEU, without the payment of customs duties and taxes. Goods exceeding the quantities specified in the annex, including those transported as accompanying luggage, shall be subject to declaration upon transport by natural persons, and customs duties and taxes shall be paid for them in accordance with the rates established by legislation for goods for personal use by natural persons. At the same time, it is established that:
- Regardless of the thresholds in the annex, an obligation to pay customs duties and taxes arises if the value and/or quantity and/or weight of the imported goods exceed the value and/or weight and/or quantity norms established by Annex N 1 to EEC Council Resolution N 107 of 20.12.2017;
- In cases where the threshold of the annex is exceeded, but the value and/or weight and/or quantity norms established by Annex N 1 to EEC Council Resolution N 107 of 20.12.2017 are not exceeded, the unified rates of customs duties and taxes established by Table 1 of Annex N 2 to EEC Council Resolution N 107 of 20.12.2017 shall be applied to the value of the part exceeding the annex's threshold, depending on the method of transport of the goods;
- The thresholds of the annex do not apply to categories of goods not classified as goods for personal use as established by Annex N 6 to EEC Council Resolution N 107 of 20.12.2017, and natural persons are not exempted from the obligation to observe prohibitions and restrictions in cases provided for by EAEU customs legislation.
- Regardless of the thresholds established by the annex, pharmaceutical products (medicines) classified under the following EAEU HS codes: 1211, 151530 9000, 1520 00 000 0, 2501, 2712 10, 2804 40 000 0, 281000, 2817 00 000 0, 2827 20 000 0, 2827 51 000 0, 2827 600000, 2833 21 000 0, 2833 27 000 0, 2847 00 000 0, 2904-2909, 2912-2942000000, 3001-3004, 3006 30 0000, 3006 60 000, 3006 930000, 3913, and/or medicines included in the following positions: 2106909300, 2106909803, 2106909808, shall be imported to Armenia by natural persons in the cases, in the order, and in the quantities established by the Government. At the same time, Government Resolution N 1206-N of 08.08.2024 has been repealed.

On Making Supplements to the Government of the Republic of Armenia Resolution N 1308-N of November 12, 2009 (N 628-N, adopted: 07.05.2026, effective: 06.06.2026)

- The licensing of the import and export of military-use products, the transit of military-use products, and intermediary trade activities for such products is carried out by the Ministry of Defense of Armenia, which sends relevant inquiries to the Ministries of Foreign Affairs, Internal Affairs, and High-Tech Industry, the State Revenue Committee, and the National Security Service to check for grounds for rejecting a license application.
- The mandatory requirements for the import, export, transit, and intermediary trade of military-use products are stipulated in Article 12.1 of the Law on "Licensing," as well as in Government Resolution N 1308-N of 12.11.2009, which does not provide for the possibility of rejecting a license application on the grounds that it poses a threat to the national security or interests of Armenia. Through the supplements, a new ground for rejecting a license application is introduced, according to which an application may be rejected if granting the license could pose a threat to the national security or interests of Armenia.

On Making Amendments and Supplements to the Government of the Republic of Armenia Resolution N 1739-N of December 7, 2006 (N 670-N, adopted: 14.05.2026, effective: 25.05.2026)

- On November 13, 2025, Law HO-372-N introduced amendments to Article 13 of the Law on "Waste," specifically:

1. The word "disposal" (landfilling) was replaced by "storage, recovery, or removal," which clarified the scope of data subject to submission via administrative statistical reporting on waste. This establishes a requirement to provide information on waste that is stored, recovered (used as secondary material or energy resources, including processing or recycling for recovery purposes), or removed (non-recovered, including landfilling, burial, neutralization, or destruction) within a given organization during the reporting year.
2. The title and content of the administrative statistical report on waste generation, storage, recovery, or removal defined by legislation have been clarified and completed.

- In line with the above changes, amendments were made to Government Resolution N 1739-N of 07.12.2006, "On Establishing the Procedure for State Registration of Waste." Henceforth, in addition to waste generation, processes related to waste storage, recovery (recycling), and removal are also subject to mandatory registration and reporting.
- Furthermore, corresponding changes must be made to Order N 112-N of the Minister of Nature Protection of Armenia, dated 22.08.2002. It is also planned that starting from 2026, administrative statistical reports on waste will be accepted and stored exclusively in electronic format through the newly created "Digital Services Platform for Environmental Management." Additionally, the Statistical Committee and the Environmental Protection and Mining Inspection Body will be granted access to the data generated on electronic platform.

On Applying a Temporary Export Ban on Certain Goods from the Republic of Armenia to Eurasian Economic Union Member States and Third Countries (N 650-N, adopted: 14.05.2026, effective: 03.08.2026)

- By Government Resolution N 1518-N of 30.10.2025, the export of scrap and waste of ferrous and non-ferrous metals, certain products, and certain used goods made of ferrous and non-ferrous metals was temporarily prohibited from February 2, 2026, to August 2, 2026. The export ban on scrap and waste of ferrous and non-ferrous metals and certain used goods is extended from August 3, 2026, to February 3, 2027. The restriction does not apply to the cases:

1. Re-export of goods temporarily imported or present in Armenia for processing purposes;
2. Goods transported for the purpose of repair or warranty service;
3. Small quantities for personal use and parts necessary for the operation of civil aircraft and railway transport;
4. Certain unused metal structures and fittings.

On Making Amendments and Supplements to the Government of the Republic of Armenia Resolution N 124-N of February 5, 2026 (N 750-N, adopted: 27.05.2026, effective: 06.06.2026)

- Government Resolution N 124-N of 05.02.2026 establishes the targeted program and conditions for mortgage lending to provide state support to military personnel of the officer corps who have graduated from a military educational institution and have been appointed to an officer position within the RA Ministry of Defense system or the RA NSS Border Guard Troops, for the purpose of purchasing an apartment, a residential house, or an apartment/residential house under construction in a multi-apartment. It is established that the residential real estate being purchased is pledged to the cooperating organization, and it is stipulated that in certain cases of termination of the program, the cooperating organization may assign its claim rights and rights to the subject of the pledge to the state, provided that the relevant conditions arising from the law and the loan agreement are met.

DRAFT LAWS APPROVED BY THE GOVERNMENT

On Approving the Draft Law of the Republic of Armenia "On Making an Amendment and Supplement to the Labor Code of RA" and Considering it Urgent (N 677-N, adopted: 21.05.2026, effective: 22.05.2026)

- It is proposed to introduce the concept of "parental hour," enabling working parents to more effectively combine work and family responsibilities. Project applies to parents with children under 12 years of age, as well as parents with children under 18 years of age who have profound or severe disability restrictions.
- The parental hour is granted as follows:

1. For a parent with up to two children: a maximum of 30 minutes per day;
2. For a parent with three or more children: a maximum of 1 hour per day;
3. For a parent with a child under 18 with profound or severe disability restrictions: a maximum of 1 hour per day.

- The parental hour is granted based on the employee's written application. The parental hour is included in working time, and the employee's basic salary is maintained during this period.

THE FOLLOWING DRAFT LAW WAS ADOPTED IN THE FIRST READING.

"On Making Supplements and Amendments to the Law 'On Regulation of Gaming Activities'" (available here), "On Making Supplements and Amendments to the Law 'On Games of Chance, Internet Games of Chance, and Casinos'," (available here) and "On Making Supplements to the Law 'On Lotteries' (available here)

- According to the draft laws, participation in games of chance will be prohibited for citizens who:

1. Have utilized state support programs that include restrictions on participation in games of chance;
2. Are registered in the system of vulnerable families or reside in state social housing;
3. Are in bankruptcy proceedings, have been declared bankrupt, or have outstanding obligations to the state budget;
4. Are registered at the National Center for Addiction Treatment;
5. Benefit from state subsidy programs or receive any type of state allowance;
6. Hold consumer loans for which the total amount exceeds 40 percent of their annual income;
7. Have reached retirement age, and their sole source of income is their pension.

- A maximum allowable threshold for participation in games of chance will be set for citizens at 20 percent of their annual declared income. The restrictions will not apply to persons who are not citizens of the Republic of Armenia.
- Citizens will have the opportunity to apply to the authorized body to request a ban on their participation in games of chance. The ban will be set for a period of 5 years and will be automatically extended for another 5 years if the person does not submit an application to lift it before the expiration of the period.
- Organizers of games of chance will be required to have a clearly visible self-exclusion button on their websites, the use of which will be considered equivalent to submitting an official application. Player identification will be carried out during the cashless replenishment of gaming accounts. In addition, frequent changes in a player's IP address may be assessed as risky behavior and serve as grounds for imposing restrictions.

DRAFTS PLACED FOR PUBLIC DISCUSSION ON THE E-DRAFT PLATFORM

On Establishing the Procedure for Developing and Submitting Proposals Regarding Changes to the Universal Health Insurance Premium Rate (available here)

- In accordance with Part 4 of Article 13 of the Law "On Universal Health Insurance," the procedure for developing and submitting proposals regarding changes to the universal health insurance premium rate is established by the Government. The draft defines the procedure for developing and submitting such proposals, including the grounds for proposing a change in the premium rate, the requirements for the content of these proposals, and the procedure for coordination and adoption with interested state bodies.

"On Environmental Responsibility" and "On Making a Supplement to the Code of the Republic of Armenia on Administrative Offenses" (available here)

- The new draft law "On Environmental Responsibility" introduces the "polluter pays" principle, which obliges economic entities to carry out actual environmental restoration instead of merely paying fines. The draft is based on the principle that operators carrying out economic activities must personally bear the responsibility for damage prevention and restoration. Environmental damage is defined as any measurable negative change to water resources, soil, and biodiversity, or the disruption of their services caused by economic activity, which creates a risk to human health or the preservation of the environment. The draft proposes the following fundamental solutions:
- Objective (strict) liability: A list of high-risk activities is defined, for which the operator bears strict liability.
- Restoration Priority: It is established that the operator is obliged not merely to pay money, but to personally develop and submit to the Ministry of Environment for approval a program of restoration measures, ensuring primary, supplementary, or compensatory restoration. Mandatory Financial Guarantees: Those carrying out high-risk activities are required to provide financial guarantees. Immediate Actions: The powers of the inspection body and the operator's obligations in the event of an immediate threat of damage are clarified.
- Mandatory Financial Guarantees: Those carrying out high-risk activities are required to provide financial guarantees. Immediate Actions: The powers of the inspection body and the operator's obligations in the event of an immediate threat of damage are clarified.
- The draft "On Making a Supplement to the Code on Administrative Offenses" proposes establishing strict administrative liability (from 1.0 million to 3.0 million AMD) in cases of:
- Failure to notify the authorized body about an immediate threat to the environment or damage caused, as prescribed by the Law "On Environmental Responsibility";
- Failure to implement urgent preventive or restoration measures;
- Failure to comply with mandatory instructions (orders) issued by the Environmental Protection and Mining Inspection Body regarding the prevention or restoration of environmental damage within the specified timeframe.
- It is envisaged that these regulations will enter into force on January 1, 2029.

Draft Government Resolution "On Establishing the List of Stock Exchanges" (available here)

- The draft establishes the list of stock exchanges for which the 15% income tax and corporate income tax rate will be applied to dividends received from unlisted shares. The regulation specifically applies to shares issued by banks.
- For the period from July 1, 2026, to December 31, 2026, a state duty in the amount of 15% of the dividend is also established for such dividends.

On Making an Amendment to the Government of the Republic of Armenia Resolution N 450-N of April 17, 2025 (available here)

- The necessity of adopting this draft is conditioned by the need to ensure the implementation of amendments made to the Law "On State Support for the High-Tech Sector" adopted by the National Assembly. Government Resolution N 450-N of April 17, 2025, clarifies the regulations for providing state support.

On Making Amendments and Supplements to the Law "On Audiovisual Media" (available here)

- Amendments to the Law "On Audiovisual Media" have been initiated to address two critical issues: the regulation of television-like media services and illegal OTT (Over-the-Top) platforms. Specifically:
- Television-like media services: Given the rapid development of information technology, the widespread expansion of the internet, and significant changes in audiovisual dissemination formats, the primary platform for audiovisual content is increasingly shifting to the internet. Notably, there has been a significant increase in "television-like" audiovisual content available online, which is comparable in nature and impact to traditional broadcasting but currently falls outside the scope of existing audiovisual legal regulation.
- Illegal OTT platforms: The second issue concerns the recent growth of illegal OTT platforms in Armenia that provide audiovisual content without appropriate licenses or permission from rights holders. These platforms violate copyright laws, depriving legitimate rights holders of their due revenue. The proposed regulation will achieve the following:

1. Ensure the integrity of the legal framework in the audiovisual media sector by including audiovisual content distributed via the internet, including "television-like" content;
2. Create conditions for proportionate regulation for all entities disseminating audiovisual information, regardless of the technological format used;
3. Increase the level of accountability in the field of audiovisual information dissemination.

On Making a Supplement to the Mining Code of the Republic of Armenia (available here)

- The draft proposes establishing a 10-year ban for "unscrupulous" subsoil users. Specifically, in cases where the right to subsoil use has been terminated due to violations specified in the Code, the legal entity, its beneficial owners, managers, as well as affiliated companies, will be unable to acquire a new subsoil use right for a period of 10 years. This restriction applies to persons whose actions or inactions led to the grounds for the termination of the right.
- Furthermore, the amendment provides that the obligation to submit information on beneficial owners will extend to all types of subsoil use, no longer being limited to the exploration or extraction of metallic mineral resources.
- A new control mechanism is also proposed: if the presence of a person under the 10-year ban is discovered in the data submitted regarding beneficial owners, the authorized body will issue a written warning to the company. If the violation is not rectified within the specified period, the company's subsoil use right may be suspended or terminated.

"On Establishing the Procedure for Selecting an Appraiser for Property Expropriated for the Purpose of Ensuring Public Eminent Domain as Defined by the Law 'On Expropriation of Property for the Purpose of Ensuring Public Eminent Domain'" (available here)

- According to the established procedure, property owners and holders of property rights are granted the right to propose their preferred appraiser candidate to the authorized body within two weeks of receiving the notification, making the involvement of this candidate mandatory. If the owner does not propose a candidate within the set timeframe or refuses to do so, the selection of the appraiser is carried out randomly through a special computer program of the Cadastre Committee. The computer program will conduct an automated lottery.