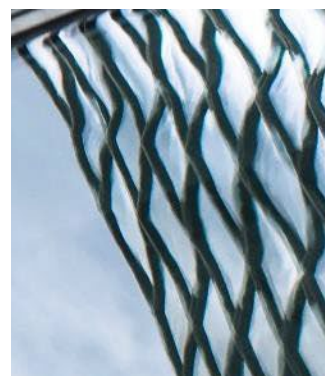


# Legal update

November - December 2022



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Dear colleagues,

It is our pleasure to welcome you to PwC Armenia November-December 2022 (up to 11 December 2022) legal update. We hope it will be useful. For more details please do not hesitate to contact us at PwC Armenia by contact information provided at the end of this document.



# Amendment to the Tax Code of the Republic of Armenia from 04.10.2016

## In brief

On 1 December 2022 the Government of the Republic of Armenia has approved the initiative to amend a number of laws, which are aimed to improve the taxation procedure defined for buildings constructed on lands owned by the state or community.

## In detail

The bill, *inter alia*, intends to expand the scope of real estate taxpayers and proposes the following changes:

- Illegal buildings constructed on state and community lands are considered to be subject to real estate tax.
- Free (permanent) users of state and community owned lands and buildings are subject to real estate tax.
- Permanent users of state and community owned lands and buildings who are granted with respective development or lease rights are subject to real estate tax.
- Extension of construction permit will be subject to a high local fee to prevent developers from constantly extending construction deadlines.

The initiative of the RA Government has been considered urgent and will be presented to the RA National Assembly.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39438/>



# Amendments to the Tax Code of the Republic of Armenia from 4.10.2016, to the Laws of the Republic of Armenia “On State Duty” from 27.12.1997, “On Banking Secrecy” from 07.10.1996

## In brief

The Government of the Republic of Armenia has approved the initiative to supplement a number of laws, which are aimed to regulate e-commerce, payment of corporate income tax by individual entrepreneurs etc.

## In detail

The bill has the following objectives:

- to establish relevant regulations in the Tax Code of the Republic of Armenia for e-commerce,
- in the case of car sale transactions between individuals, establish a state duty instead of income tax and allocate its collection to the Police of the Republic of Armenia,
- to increase corporate income tax rate from 18% to 23% for individual entrepreneurs operating in the general taxation system.

The initiative of the RA Government has been considered urgent and will be presented to the RA National Assembly.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39375/>



# Amendments to the Code of Administrative Offenses of the Republic of Armenia from 06.12.1985

## In brief

Supplement has been made in the Code of Administrative Offenses which imposes a penalty on the carrier for breach of its obligations. The amendment came into force on 24 November 2022.

## In detail

The legislator stipulates penalty against the carrier if the latter breaches its obligations related to ensuring safety of the passengers as provided under part 1.1 of Article 63 of the “Law on Aviation” of the Republic of Armenia. The amount of penalty varies between AMD 400,000 to 600,000.

**For more details, please visit**

<http://www.irtek.am/views/act.aspx?tid=170212>



# Amendments to the Law of the Republic of Armenia “On Aviation” from 22.02.2007

## In brief

Amendments expand the obligations of the carrier towards its passengers. The amendment came into force on 24 November 2022.

## In detail

Within the scope of expanded obligations the carrier is obliged to (i) protect and take care of passengers and crew members from the moment of leaving the airplane until they receive an entry permit to Armenia, (ii) be responsible for safety and care of passengers whose entry permit to Armenia has been refused, (iii) deliver the passenger to the airport of departure, taking care of accommodation and food needs if entry permit to Armenia has been rejected.

**For more details, please visit**

**<http://www.irtek.am/views/act.aspx?aid=155922>**



# Amendments to the Law of the Republic of Armenia “On State Support for Information Technology Companies” from 17.12.2014

## In brief

The Government of the Republic of Armenia has approved the initiative to amend and supplement the Law “On State Support for Information technology Companies” and the Tax Code.

## In detail

On 24 November 2022 the Government of the Republic of Armenia approved the project on making amendments and supplements to the Law “On State Support for Information Technology Companies” and the Tax Code. The amendments extend the state support in the form of tax incentives for IT companies (the application of 0% corporate income tax and 10% personal income tax) until 31 December 2023. The initiative of the RA Government has been considered urgent and will be presented to the RA National Assembly.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39366/>





# Amendments to the Law of the Republic of Armenia “On Trademarks” from 29.04.2010

## In brief

On 1 December 2022 the Government of the Republic of Armenia has approved the initiative to amend and supplement the Law “On Trademarks”.

## In detail

The bill envisages the following main amendments and supplements: (i) it clarifies the distinguishing features for the comparison of trademarks, (ii) it provides amended approach with regard to disclaimer statements (non-protected elements of trademarks), (iii) it introduces a principle of regional exhaustion of rights against a trademark, while reducing the period which is defined as a precondition for claiming invalidity of registration of a trademark on the basis of non usage.

The initiative of the RA Government will be presented to the RA National Assembly.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39403/>



# Amendments to the Laws of the Republic of Armenia “On Lotteries” from 17.12.2003, “On Prize Games and Casinos” from 13.12.2003, “On State Duty” from 27.12.1997

## In brief

The Government of the Republic of Armenia has approved the initiative to amend a number of laws, which are aimed to revise the burden of state duty with respect to the lottery and gambling sectors.

## In detail

The new amendment sets the following state duties:

- a. The organizer of internet gambling will be obliged to pay AMD 175 million to obtain a right of accepting a bet of AMD 100 billion for each time.
- b. The organizer of totalizator (online totalizator) will be obliged to pay AMD 50 million to obtain a right of accepting a bet of AMD 50 billion for each time.

The initiative of the RA Government has been considered urgent and will be presented to the RA National Assembly.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39373/>



# Amendments to the Law of the Republic of Armenia “On Geographical Indications” from 25.04.2010

## In brief

Amendments has been made in the Law of the Republic of Armenia “On Geographical Indications” related to the common (generic) name, term for examination of application and submission of objections. The amendment came into force on 24 November 2022.

## In detail

The legislator has made several amendments in the law: (i) the definition of the common (generic) name has been clarified, (ii) the application examination and objection terms for registration of geographical indication, designation of origin and guaranteed traditional product has been amended, (iii) the application examination period has been decreased to six months, whereas the application objection period has been decreased to three months calculated from the publishing date.

**For more details, please visit**

**<http://www.irtek.am/views/act.aspx?aid=155917>**

# Government decision of the Republic of Armenia No 1863-L from 01.12.2022

## In brief

On 1 December 2022 the Government of the Republic of Armenia has approved the initiative aimed to provide state support to commercial organizations and individual entrepreneurs operating in IT industry. The program came into force on 3 December 2022.

## In detail

The Ministry of High-Tech Industry of the Republic of Armenia will provide one-time targeted state support to commercial organizations and individual entrepreneurs operating in IT sphere, that meet certain conditions as provided in the program. Those conditions relate to: (i) type of activities based on classifier of economic activities, (ii) volume of export of services, (iii) salary fund of the employees, (iv) tax liabilities. The beneficiary of the program shall submit the application to the Ministry of High-Tech Industry of the Republic of Armenia until 1 February 2023, while the support will not exceed AMD 400,000,000.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39432/>

# Amendments to the Government decision of the Republic of Armenia No 1251-Ն from 09.09.2010

## In brief

On 1 December 2022 the Government of the Republic of Armenia has approved the initiative of making amendments in the Government Decision N 1251-Ն related to releasing car importers from excessive administration and unnecessary financial burden. The amendment came into force on 12 December 2022.

## In detail

The legislator aims to regulate the following issues: (i) to free car importers from unnecessary financial expenses and the risk of being subject to administrative fine in case of driving a car without registration plates, (ii) to assign “temporary” license plates to vehicles, for ensuring control of these vehicles by the RA police, as well as minimize cases where vehicles are used without registration plates, (iii) to authorize the customs authorities at the border of the Republic of Armenia with the right to issue “temporary” license plates to vehicles imported and subject to state registration in the Republic of Armenia.

**For more details, please visit**

<https://www.e-gov.am/gov-decrees/item/39406/>



# Amendments to the Government decision of the Republic of Armenia No 526-Ն from 04.05.2017

## In brief

On 8 December 2022 the Government of the Republic of Armenia has approved the initiative of making amendments in the Government Decision N 526-Ն to regulate the current situation at construction sites related to sanitary and hygienic issues, technical safety issues, problems of air pollution and the environment. This amendment came into force on 9 December 2022.

## In detail

The amendment assumes that the following mandatory conditions should be included in the contract related to the construction project: (i) a company undertaking the technical control shall monitor the compliance of construction works with normative-technical requirements, approved design and the project, (ii) a client company is entitled to apply liability measures against the constructor and the company conducting technical control for breach of their obligations.

**For more details, please visit**

**<https://www.e-gov.am/gov-decrees/item/39451/>**



# Contact us

For a deeper discussion of how these changes might affect your business, please contact us at PwC Armenia

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