

# CENTER for BUSINESS

## IT CERTIFICATE INFORMATION



# IT CERTIFICATE

**AM.BUSINESS** - Multifunctional Business Support Center under the NATIONAL CENTER Foundation of Armenia performs the functions of professional information and service center for entrepreneurs.




In addition to a free consultation, the Center provides professional support in accounting, legal services, corporate law, IT and HR services, trademark registration and paperwork for obtaining grants for promising business projects.

Also, the Support Center creates mechanisms for interaction between business and government agencies.



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NATIONAL CENTER  
DEVELOPMENT FOUNDATION

## PREFERENTIAL TAXES FOR IT ACTIVITIES

Commercial organizations that have received state registration in the Republic of Armenia (with the exception of economic associations and subsidiaries, branches and representative offices of foreign legal entities) and individual entrepreneurs registered in the Republic of Armenia that carry out the following types of activities can apply for Certification in order to obtain the right to preferential tax regime:

- Software development, which includes creating software, making changes to it, testing and maintaining software, creating applications for customers, developing software systems, applications, data stores, website structure and content, and / or creating the necessary for the development and launch of machine instructions, the establishment of a software device - the transformation and adaptation of application programs designed to perform certain functions to the environment of the information system of customers.
- Consulting activities in the field of computer technology, which include the development and design of integrated computer systems, computer hardware, software and computer communication technologies, services related to user training.
- Computer systems management activities that include on-line management and creation of computer systems for customers and/or maintenance of data processing facilities and other facilitation services.
- Data processing, posting information on the web and related activities, which include the provision of infrastructures for hosting sites on the web, data processing (complete data processing using user-provided programs or original programs, services that provide automated data processing and entry, including storage management services data) and related services related to the placement of the site specialized services (hosting service)

hosting sites on the Internet (Web hosting), streaming data (non-separated - in packages) or hosting application programs, launching software and hardware resources, serving users through a central (global) computer operating in a shared time sharing mode.

- Actions related to web portals, which include actions related to websites - the use of search engines to create and maintain a cloud storage of data posted on the Internet in a specific format in order to organize an easy and accessible search by address or by content; activities linked to other websites that act as an Internet portal, such as information sites that provide periodically updated information.
- Implementation of educational, research programs in the field of information technology.
- Design, testing and production of electronic systems, computer animation and computer modeling, and design and testing of integrated circuits.

### Tax privileges include:

- **0% income tax.** They are exempt from paying 18% income tax.
- **0% value added tax.**
- **10% tax on income of employees - individuals (personal income tax).** They pay Income Tax (which the company, as a tax agent, withholds from salaries and pays instead of employees) in the amount of 10% (instead of the standard 21%).

## REQUIREMENTS FOR IT COMPANIES

- Companies are established solely for the purpose of carrying out the above activities;
- Companies are not created as a result of the reorganization of another business entity;
- None of the shareholders (participants) after the entry into force of this Law was a shareholder or participant, or an individual entrepreneur who ceased to operate (removed from the state register) of a liquidated company in the field of information technology;
- None of the shareholders (participants) is a shareholder or participant, or an individual entrepreneur of another company certified in accordance with this Law;
- None of the shareholders (participants) or the individual entrepreneur applying for certification is a shareholder or participant of another economic entity that is in the process of bankruptcy;
- The number of employees does not exceed 30 people;
- Cannot apply for certification of organizations, one of whose shareholders (participants) during the three years preceding the day of application, and (or) at the time of application is another organization or other individual entrepreneur that has carried out (carrying out) activities in the field of information technology, or a shareholder or member of another organization that has carried out (carrying out) activities in the field of information technology;

- Such an individual entrepreneur cannot apply for certification if, during the three years preceding the day of application, he was an individual entrepreneur who carried out activities in the field of information technology and terminated his activities (removed from the state register);
- Such organizations cannot apply for certification if 20 or more percent of the shares of shareholders of which belong to another organization in the field of information technology, or one of the shareholders (members) of which owns 20 or more percent of the shares of another organization in the field of information technologies.

According to the law of Armenia “**On state support of the IT sector**”, Armenian companies (or individual entrepreneurs) (hereinafter referred to as “IT startups”) can apply to a special attestation commission formed by the decision of the Government of the Republic of Armenia within **3 months after registration** to obtain a certificate. This certificate provides tax benefits for the next 5 years.

To apply for an IT certificate, please contact the Ministry of High-Tech Industry of the Republic of Armenia. **It will take 15-30 days to receive a certificate for benefits.**

1. Law of the Republic of Armenia “On State Support in the Field of Information Technology”: [https://hti.am/main.php?lang=1&page\\_id=719](https://hti.am/main.php?lang=1&page_id=719)

2. Decision of the Government of the Republic of Armenia dated March 24, 2022 No. 399-L “On Approval of the Procedure for Providing State Support to Commercial Organizations and Individual Entrepreneurs in the Field of Information Technology”:  
<https://www.arlis.am/DocumentView.aspx?DocID=162212>