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GUIDE FOR BUSINESS IN ARMENIA



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GUIDE FOR BUSINESS

1. General Information.....	3
2. Instructions for registering a company.....	6
3. Registration of a branch of the company.....	9
4. Foundation Registration.....	12
5. Company taxes.....	15
6. IT Certificate.....	20
7. Residence permit in Armenia.....	24
8. Accounting.....	27
9. Legal services.....	30

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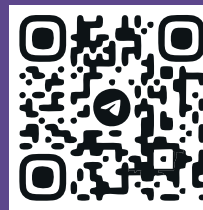


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MULTIFUNCTIONAL BUSINESS SUPPORT CENTER

- Multifunctional Business Center in Armenia
- Company and bank account registration
- Business support, legal, accounting, IT and HR services
- Office of simple solutions and coworking space
- Adjusting business plans and applying for grants
- Call center in different languages and information hotline
- Online resource with state support mechanisms
- Working mechanisms of interaction between business and the State



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AM.BUSINESS - Multifunctional Business Center, which performs the functions of professional information and service for entrepreneurs.

The Center also helps businesses coordinate with government departments.



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AM.BUSINESS provides a wide range of services, consults companies and entrepreneurs throughout Armenia, informs about government support measures and offers working solutions for their implementation.

The Center provides professional support in accounting, legal services, trademark registration, business plan development and paperwork for obtaining grants for promising business projects.

AM.BUSINESS also offers services to foreign commercial organizations involved in international trade in expanding sales markets, investing and participating in technology transfer.

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INSTRUCTIONS FOR REGISTRATION OF A COMPANY IN ARMENIA



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REGISTRATION OF THE COMPANY

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OPENING IP

IP ON THE SPOT

- **Foreign passport (some countries have) or domestic passport**
(it is better to have a notarized translation)
- **Presence of absolutely any address in Armenia**
(to indicate as an IP address during state registration)
- **Payment 3.000 AMD (plus 200 kopecks)**
(through a payment terminal in the building of the State Register)

IP BY POWER OF ATTORNEY

- **Notarized translation of a foreign passport or domestic passport**
- **A simple written power of attorney**
(on registration of IP through an individual in Armenia)
- **Presence of absolutely any address in Armenia**
(to indicate as an IP address during state registration)
- **Payment 3.000 AMD (plus 200 kopecks)**
(through a payment terminal in the building of the State Register)

Agency of the State Register

of Legal Entities of the Republic of Armenia

Address: st. Komitas 49/3, Yerevan, Armenia

Email: info@e-register.am, Web: www.e-register.am

Phone: +374 10 201461, Working hours from 9:00 to 18:00

OPENING LLC

LLC ON THE SPOT

- **Foreign passport (some countries have) or domestic passport**
(also a notarized translation of the passport of the founders and the director, if they are foreign citizens)
- **Presence of absolutely any address in Armenia**
(to indicate as the address of LLC during state registration)
- **Availability of constituent documents**
(All standard forms are drawn up by the State Register on our website)
- **Availability of a statement and declaration on the true beneficiaries of the company** *(The forms are filled in the State Register in Armenian, but there are translations to understand the content)*
- **State duty - not charged**

LLC BY POWER OF ATTORNEY

- **Availability of a notarized translation of the passport of the founders and director** *(if they are foreign citizens)*
- **Availability of a simple written power of attorney to provide data for registration of an LLC**
(on behalf of the founders and director)
- **Presence of absolutely any address in Armenia**
(to indicate as the address of LLC during state registration)
- **Availability of constituent documents**
(obligatory in Armenian, signed by the founders and the director (originals))
- **Availability of a statement/declaration on the true beneficiaries of the company** *(obligatory in Armenian, with the director's signature / or only applications immediately in Armenian for signature and submission by the trustee and a declaration on the true beneficiaries of the company, obligatory in Armenian with the director's signature)*
- **State duty - not charged**

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REGISTRATION OF A COMPANY BRANCH IN ARMENIA



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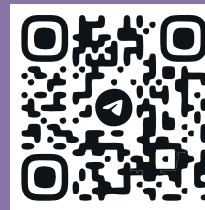
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INSTRUCTIONS FOR OPENING A BRANCH FOREIGN COMPANY

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OPENING A BRANCH COMPANIES IN ARMENIA

LIST OF DOCUMENTS

- **Submit documents for opening a branch in the State Register**
(This can be done by the director of the Company or another person by powers of attorney)
- **Passport of the director of the Branch or authorized representative**
(If the director or authorized representative is not a citizen of the Republic of Armenia, a notarized translation of passports is required)
- **Notarized translation of the Charter of the Parent Company**
- **Decision or Protocol on opening a branch of the Company**
- **Decision or Protocol on the appointment of the head of the parent Company**
- **Notarized translation of the certificate of state registration of the Company and Tax certificate of the Company**
- **Charter of the local branch of the Company**
(This is done in the State Register on the basis of the charter of the parent company)
- **Information about the beneficiaries**
(This is filled in on the spot in the State Register)
- **Application with Company data and information about the Director.**
(This is filled in on the spot in the State Register)

** All documents must be translated into Armenian and notarized. Translation and certification can be done directly at a notary in Armenia or in advance in the country of registration of the parent company.*

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CONDITIONS FOR THE PREPARATION OF DOCUMENTS

LIST OF SERVICES OF THE STATE REGISTER

In the State Register of Armenia, you can perform the following actions and receive additional services:

- **Preparation of documents for opening a Branch of the Company**
(The cost is 50.000 AMD. State duty 50.000 AMD, Term 2 working days.)
- **Opening an LLC according to ready-made / standard constituent documents**
(Cost: Free, State duty is not charged, Up to 1 hour)
- **Preparation of individual documents for opening an LLC**
(The cost is 35.000 AMD. State duty is not charged, Term 5 working days.)
- **Preparation of documents for the change of founder**
(The cost is 30.000 AMD. State duty 20.000 AMD, Term 5 working days.)
- **Preparation of documents for the change of director**
(The cost is 10.000 AMD. State duty 10.000 AMD, Term 2 working days.)
- **Preparation of documents for the replacement of the Charter and founding documents.**
(The cost is 60.000 AMD. State duty 30.000 AMD, Term 5 working days.)
- **Preparation of documents for the replacement of the Charter of the director and founder**
(The cost is 50.000 AMD. State duty 30.000 AMD, Term 5 working days.)

**Agency of the State Register of
Legal Entities of the Republic of Armenia**

Address: st. Komitas 49/3, Yerevan, Armenia

Email: info@e-register.am, Web: www.e-register.am

Phone: +374 10 201461, Working hours from 9:00 to 18:00

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INSTRUCTION FOR OPENING A FOUNDATION

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CONDITIONS FOR THE PREPARATION OF DOCUMENTS

LIST OF DOCUMENTS

- **Submit documents for opening a Fund in the State Register**
(It can be the director of the Foundation or another person by power of attorney)
- **Passport of the director of the Foundation or authorized representative**
(If the director or authorized representative is not a citizen of the Republic of Armenia, a notarized translation of passports is required)
- **Prepared Foundation Charter**
(You can use a model charter, which will be prepared by State Register on the spot. It is advisable to draw up your own Charter, in which all the details will be spelled out. In this case, consideration of registration will take 10 business days.)
- **Decision to open the Foundation**
(The decision must contain the data of the founder, the name of the Foundation (it can be indicated in several languages), there must be a clause on the approval of the Charter, the address of the Foundation must be indicated and the General Director has been appointed)
- **Foundation Name**
(The name of the Foundation should not coincide with the existing ones. In addition to the unique name, it is necessary to prescribe the direction of the Fund before the name in the Charter. For example, Charity Foundation Investment Fund, Development Foundation, etc.)
- **Information about the beneficiaries**
(The form is filled in on the spot in the State Register)
- **Application with the data of the Foundation and information about the head.** (The form is filled in on the spot in the State Register)

* All foreign documents must be translated into Armenian and notarized.

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OPENING OF THE FOUNDATION IN ARMENIA

FEATURES

Features of registration of the Foundation in Armenia, main provisions

- **Foundation registration.** To register the Foundation, it is necessary to draw up the Charter and the Decision on the establishment. The Decision prescribes the name of the Fund, approves the Charter, prescribes the address and appoints the director of the Foundation. No authorized capital is required to register the Fund. The founder can be one person, in contrast to the establishment of an NGO, where the founders must be at least 2 persons.
- **Charter.** It is necessary to draw up a competent Charter, to prescribe the goals and objectives of the Foundation. Also, it is necessary to register the types of activities in strict accordance with the list that is in the Classifier of types of economic activities on the website: https://www.petekamutner.am/tsOS_EAClassifier.aspx
- **Foundations Council.** The supreme management and control body of the Foundation is the Board of Trustees or simply the Board. After the registration of the Foundation, the Council must be formed by an internal decision of the Foundation. The Board consists of at least three members and is formed by the Founder. The Council organizes its work through meetings. Sessions are convened at least once a year. Decisions of the Council are taken by a simple majority of votes of the members participating in the meeting.
- **Founder and Director.** The founder and director of the Foundation may be the same person. The founder and director are not personally liable for the obligations of the Fund. The current activities of the Fund are managed by the General Director. The General Director is responsible for all issues related to the current activities of the Foundation. Also, the General Director organizes the implementation of the Council's decisions. Appointment and dismissal of the General Director is the prerogative of the Board of the Council. Dividends are not paid to the General Director at the end of the year.
- **Reporting:** The Foundation annually publishes an annual report on its activities in accordance with the RA Law "On Foundations". The Fund's accounting is organized and maintained in accordance with the procedure established by the RA legislation.

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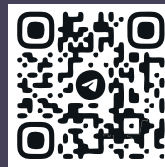
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TAXES FOR BUSINESS IN ARMENIA



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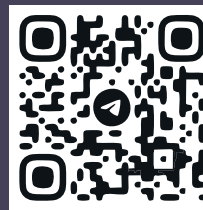
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3 MAIN TYPES TAXATION IN ARMENIA

- With a turnover of more than **115 million drams** (from 230 thousand dollars) per year, in the absence of benefits, the general tax regime is applied - **20% VAT and 18% income tax**
- With a turnover of **25 to 115 million drams** (230 thousand dollars) per year, a simplified regime is applicable - **from 1.5 to 5%** turnover tax, depending on the field of activity
- With a turnover of **up to 25 million drams** (50 thousand dollars), a special fixed tax rate of **5000 drams / month applies**

FOR IP/LLC WITH EMPLOYEES ADDITIONAL TAXES

- Income tax on employee salaries (personal income tax) - **21%(10%** - for employees of IT companies with a certificate)
- Social tax on wages - **from 4.5%**
- Army tax - **from 1500 to 15000 drams**

TAXES FOR IT COMPANIES

According to the law of Armenia “**On State Support of the IT Sector**”, Armenian companies or individual entrepreneurs (**IT start-ups**) can apply to a special attestation commission within 90 days after registration to obtain a certificate that provides tax benefits for the next 5 years.

Tax incentives include:

- **0%** income tax;
- **0%** value added tax;
- **10%** tax on income of employees - individuals (personal income tax).

In order to receive a certificate for IT companies, you must meet certain criteria, such as:

- Work in specific areas such as software development, computer technology consulting, computer systems management, data processing, web development, web hosting, hosting services, electronic systems development (this also includes engineering start-ups), IT education and etc.
- Have no more than **30 employees**.
- Shareholders of an IT start-up must not own (currently and 3 years prior to filing) shares of another Armenian IT start-up or be a sole trader (working in the IT sector).
- An IT startup should not be a subsidiary of another legal entity.
- Certified IT start-ups must comply with certain restrictions (mainly the criteria mentioned above) when operating under the preferential tax regime.

GENERAL INFORMATION ON TAXES IN ARMENIA

MANDATORY TAX PAYERS

- Resident companies;
- Individual entrepreneurs;
- Non-resident companies doing business in Armenia through a permanent establishment.

BUSINESS TAXATION OPTIONS

In Armenia, medium and large businesses pay taxes at regular rates, while small businesses can benefit from special tax regimes that reduce the tax burden and paperwork.

GENERAL TAX REGIME

If the Company or individual entrepreneur does not choose a special tax regime, they will be subject to the general taxation procedure (**profit tax/corporate income tax (CIT) 18% and value added tax (VAT) 20%**).

- The **VAT rate is 0%** if goods or services are **exported**.
Income tax returns are filed annually and VAT returns are filed monthly. Employee income tax reporting is also maintained.

SALES TAX

Turnover tax is a form of taxation for small and medium enterprises, the rates of which are usually in the range **from 1.5% to 5%, replacing CIT and VAT**. Only enterprises with an annual turnover of **less than 115 million drams** (approximately \$240,000) can apply for this tax regime.

Mandatory payments for this form of taxation are also monthly **social security payments in the amount of AMD 5,000 and income tax also AMD 5,000**. The **military tax** (contributions to the military insurance fund) is paid annually and depends on the size of the annual turnover - **from 1500 to 15000 drams**.

- *Value added tax returns are submitted quarterly.*

In the presence of employees, the employer is obliged to withhold personal income tax (personal income tax - personal income tax), social security payments and a contribution to the military insurance fund from the income of employees.

- *Income tax reporting for employees (PIT) is submitted monthly.*

MICROBUSINESS

Micro-enterprises, defined as enterprises with an annual revenue of **less than AMD 24 million** (approximately \$50,000), are exempt from CIT and VAT. However, there is a list of excluded businesses that cannot take advantage of this tax system, such as merchants based in the capital Yerevan and many service businesses. Companies can choose the VAT or micro business regime **within 20 calendar days** after the registration of the company.

IT STARTUP TAXATION

Starting from May 18, 2019, a newly registered business (Company and Individual Entrepreneur) operating in the IT field has the opportunity to apply for an IT Start-Up certificate, a document that exempts a business from income tax until December 31, 2023. The certificate also reduces payroll tax (income tax withheld by the employer) to **10% from the normally applied 21%**. The application for a certificate **must be submitted within 90 days** of the business being registered. These tax incentives are not available to larger companies with 30 or more employees, or subsidiaries or affiliates of foreign companies. IT Start-Up certificates are issued by the Ministry of High Technologies (www.hti.am).

	Estonia	Switzerland	Spain	Germany	Poland	Lithuania	Latvia	Bulgaria	Czech Republic	Armenia
Corporate income tax	20%	from 8,5% to 24,2% (depending on Canton and municipality)	25%. Other tax rates may apply, depending on the type of company that is taxed and its type of business	15,825%	9% or 19% (depending on the level of income of the taxpayer)	5%, 15%, 20% (depending on the applicable conditions)	20% or 15% for microenterprises	10,00%	19%	0% (for 5 years for certified IT companies)
VAT*	20% (standard rate), (0% for export)	8% (standard rate), (0% for export)	21% (standard rate), (0% for export)	19% (standard rate), (0% for export)	23% (standard rate), (0% for export)	21% (standard rate), (0% for export)	21% (standard rate), (0% for export)	20% (standard rate), (0% for export)	21% (standard rate), (0% for export)	20% (standard rate), (0% for export, 0% for IT certified companies)
Salary taxes	20% (personal income) + 33% (social tax)	Progressive system of taxation depending in level of income, civil status, children, religion, Canton of residence, wealth, etc.	19%-47% (depending on the level of income) + 6,35% (employer pays the social tax) + 29% (employee pays the social tax)	14%-42% (depending on the level of income) + 9,3% (employer pays the social tax) + 9,3% (employee pays the social tax)	20-35% (progressive depending on the level of income) + 8,3% (social tax in 2022)	15% (personal income) + 19,5% (social tax)	From 20% to 31% (depending on the level of income) + social tax paid by employer and + social tax paid by employee (rates are depending on specific conditions)	10% + 15% (social tax by an employer) + 11% (social tax by an employee)	15% + 24% (social tax paid by employer) + 6,5% (social tax paid by employee)	10% (for employees of IT certified companies) + 4,5% (social tax) + military tax (from 3 to 28 EUR)
Tax on dividends	25%	35% (as a withholding tax, not applied to EU)	19%	25%	19%	15%	20%	5% (as a withholding tax)	15% (as a withholding tax)	5%
Tax on self-employed	20% (annual income lower than 25000 EUR) 40% (annual income higher than 25000 EUR)	from 8,5% to 24,2%** (depending on Canton and municipality)	25%	25%	9% or 19% (depending on the level of income of the taxpayer)	15%	From 20% to 31% (depending on the level of income)	15%	15%-23% (depending on income rate)	1,5-5%

	<i>the best conditions</i>
	<i>neutral conditions</i>
	<i>less attractive conditions</i>

*** only standard VAT rate and export VAT rate are indicated**

I. This comparative analysis is prepared in order to emphasis and set out the basic tax information about the described jurisdictions. In case of taking steps of economic deployment in one of indicated jurisdictions, it's highly recommended to the investor to contact local lawyers and tax advisors/accountants.

II. The indicated jurisdictions are members of the European Union (except Armenia). They are different by their tax conditions, but regulatory approach is developed according to the EU regulations. Relocation of the business-operation centre demands a strict coherence between the business plan (model) and a legal structuring. As for the IT business, Estonia is deemed as the solid jurisdiction for deployment, but taking into account the commercial activity and its possible turnovers, Poland and Bulgaria may be attractive due to their tax conditions. I would like to draw your attention to Armenia, as a suitable jurisdiction for IT commercial activity due to Armenian tax conditions for IT spheres.

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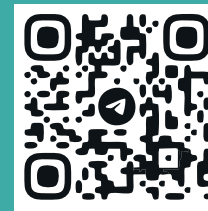


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PREFERENTIAL TAXES FOR IT ACTIVITIES

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

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>

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MULTIFUNCTIONAL BUSINESS SUPPORT CENTER




RESIDENCE IN ARMENIA



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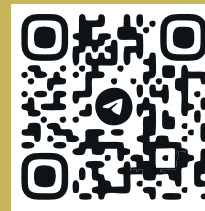
MULTIFUNCTIONAL BUSINESS SUPPORT CENTER

INFORMATION RESIDENCE PERMIT

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RESIDENCE PERMIT GENERAL INFORMATION

The Republic of Armenia has a **visa-free regime** (list of countries: <https://www.mfa.am/en/whoneedvisa>), whose citizens with all types of passports are unilaterally exempted from the requirement to obtain a visa to enter the Republic of Armenia. They can stay on the territory of the Republic of Armenia up to 180 days a year. If a foreign citizen intends to stay longer in Armenia, he will need to obtain a **temporary residence permit**. Also, after 180 days, it is possible to leave the Republic of Armenia and re-enter, which will make it possible to stay for another 180 days.

A **temporary residence permit** gives the right to reside in Armenia for up to 1 year.

A **temporary residence permit** is issued to foreign citizens on certain grounds. In particular, a person may be granted permission provided that he/she:

- Carries out entrepreneurial activity in Armenia (shareholder of a legal entity or registered as an individual entrepreneur);
- Is the spouse, parent or child of a foreign citizen who has a temporary residence permit in Armenia;
- Studying in Armenia;
- Has the right to work in Armenia;
- Is a spouse, parent, child or relative (brother, sister, grandparent, grandchildren) of an Armenian citizen or a foreign citizen holding a Special Passport of Armenia or a Permanent Residence Permit;

The residence permit is issued by the **Passport and Visa Department of the Police** in the Central District of Yerevan (Kentron) **st. Simon Vratsyan 90**.
Opening hours, weekdays 09:00-17:00, break 14:00-15:00. Tel.: +374 11 570286

RESIDENCE PERMIT FOR WORK

Residence permit on the basis of entrepreneurial activity in Armenia, required documents:

- Certificate from the State Register of Legal Entities stating that the business is registered in Armenia (company or individual entrepreneur);
- Certificate from the Tax Department that all taxes have been paid;
- The address of the enterprise in Armenia, if the basis for applying is doing business in Armenia;
- Medical certificate;
- Receipt of payment of the state fee in the amount of AMD 105,000;
- Application;
- 3 (three) color photographs - 35 x 45 mm;
- Original passport, copy of passport, notarized translation of the passport into Armenian.

Residence permit based on a work permit (or work in Armenia without a work permit), required documents:

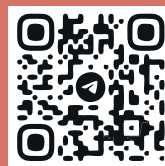
- A copy of the work permit or a certificate issued by the Migration Agency confirming that the applicant is exempt from the requirement to hold a work permit;
- Original passport, notarized translation of the passport and one copy of the translation;
- Medical certificate;
- Employment contract;
- 2 (two) copies of an extract from the state register of the employer;
- Receipt of payment of the state fee in the amount of 105,000AMD RA;
- 3 (three) photographs (3.5 X 4.5).

A **temporary residence permit is issued within 30 days** after the application is submitted and is valid for one year with the possibility of renewal for one year. An application for an extension of the permit must be submitted at least 30 days before the expiration of the Temporary Residence Permit.

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ACCOUNTING IN ARMENIA



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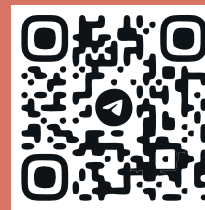
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ACCOUNTING SUPPORT

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ACCOUNTING GENERAL INFORMATION

Mandatory taxpayers in the RA

- Resident companies;
- Individual entrepreneurs;
- Non-resident companies doing business in Armenia through a permanent establishment.

Options for business taxation in Armenia

In Armenia, medium and large businesses pay taxes at regular rates, while small businesses can benefit from special tax regimes that reduce the tax burden and paperwork.

GENERAL TAX REGIME

If the Company or individual entrepreneur does not choose a special tax regime, they will be subject to the general taxation procedure (**profit tax/corporate income tax (CIT) 18% and value added tax (VAT) 20%**).

The VAT rate is 0% if goods or services are exported.

** Income tax returns are filed annually and VAT returns are filed monthly. Employee income tax reporting is also maintained.*

SALES TAX

Turnover tax is a form of taxation for small and medium enterprises, the rates of which are usually in the range **from 1.5% to 5%, replacing CIT and VAT**. Only enterprises with an annual turnover of **less than AMD 115 million** (approximately \$240,000) can apply for this tax regime.

Mandatory payments for this form of taxation are also **monthly social security payments in the amount of AMD 5,000** and **income tax also AMD 5,000**. The military tax (contributions to the military insurance fund) is paid annually and depends on the size of the annual turnover - **from 1500 to 15000 drams**.

***VAT returns are submitted quarterly.** In the presence of employees, the employer is obliged to withhold personal income tax (personal income tax - personal income tax), social security payments and a contribution to the military insurance fund from the income of employees.

***Reporting on income tax for employees (PIT) is submitted monthly.**

ACCOUNTING SERVICES

- A justified and expedient choice of a taxation system that suits your particular field of activity;
- Conducting full accounting with the help of accounting software "Armenian software";
- Timely calculation of taxes and reporting;
- Personnel accounting and personnel management;
- Keeping records of inventories and fixed assets;
- Calculation of wages and calculation of taxes on the wage fund;
- Preparation of bank payment orders in the Client's online banking system;
- Preparation of annual financial statements.

**Additional service and support for entrepreneurs is provided by the forces and means of the partners of the Center. Partners are reliable participants in the market of accounting and other services, having a good reputation and high quality of the services offered.*

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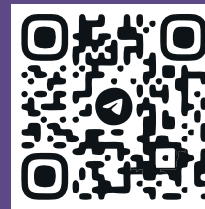
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LEGAL SUPPORT

- Accompanying on issues of citizenship, obtaining a work permit for foreigners and granting the status of residence of foreigners)
- Establishment and registration of legal entities and individual entrepreneurs, including the preparation and execution of constituent documents, minutes of the meeting of founders
- Registration of changes in the statutory documents
- Support of transactions with shares
- Reorganization and liquidation of legal entities
- Support of the bankruptcy procedure, (representing the interests of creditors and debtors)
- Organization or support in the process of licensing, certification, obtaining permits and other documents
- Legal support in the process of preparing and holding the General Meeting, Meetings of the Board and other collegiate bodies of the company
- Legal audit (corporate due diligence)
- Drafting and execution of civil law transactions

- Drawing up and execution of labor documents, including local and individual acts of the employer (orders, instructions, internal labor regulations, job descriptions, etc.)
- Support in the field of intellectual property, including trademarks and copyright
- Representation in court, in state and local authorities, as well as in other organizations
- Drafting and examination of draft legal acts (legislative acts, by-laws, etc.)

AM.BUSINESS - Multifunctional Business Support Center under the NATIONAL CENTER Development Foundation of Armenia performs the functions of professional information and coordination of business and entrepreneurs. The Center provides all initial consultation and service free of charge.

Additional service and support for entrepreneurs is provided by the forces and means of the partners of the Center. Partners are reliable participants in the legal and other services market, having a good reputation and high quality of the services offered.