

LAW
OF THE REPUBLIC OF ARMENIA

Adopted on 21 December 2017

ON MAKING AMENDMENTS AND SUPPLEMENTS TO THE TAX CODE
OF THE REPUBLIC OF ARMENIA

Article 1. In part 1 of Article 3 of the Tax Code of the Republic of Armenia of 4 October 2016 (hereinafter referred to as "the Code"):

- (1) in point (1), the words "tax bodies" shall be replaced by the words "tax authority";
- (2) the words "regardless of their sphere of activity and territorial attachment" shall be deleted from point (3).

Article 2. In part 1 of Article 4 of the Code:

- (1) in sub-points (c) and (d) of point (10), the words "or [for the transactions] prescribed by points 1-3 of part 2 of Article 89 of the Code" shall be added after the word "taxable [at zero rate of VAT]";
- (2) the words "related to property right" shall be deleted from point (15);
- (3) in point (20):
 - a. the words "and in case of investment in the authorised capital (share capital) — the price determined upon arrangement of parties, which shall be decided on by an independent appraiser in the cases and manner provided for by law" shall be added after the words "the price of asset being received";

- b. the words "and (or) installation costs" shall be replaced with the words "installation costs and (or) other costs directly related to acquisition";
- (4) in point (24), the words "the cases prescribed by the Code" shall be replaced with the words "elements not considered to be income prescribed by Article 108 of the Code and dividends considered to be personal income within the meaning of point 25 of this part, received by a resident natural person considered to be an individual entrepreneur or a notary";
- (5) in the second sentence of point (25), the word "resident" shall be added before the words "natural person";
- (6) in point (26), the words "and dividends considered to be personal income within the meaning of point 25 of this part, received by a resident natural person considered to be an individual entrepreneur or a notary" shall be added after the words "the cases prescribed by point 24 of this part";
- (7) in point (27), the words "received or to be received during the reporting period" shall be added after the words "[prescribed by the Code]";
- (8) in point (28), the words "cases prescribed by the Code" shall be replaced with the words "elements not considered to be expenditure prescribed by Article 112 of the Code";
- (9) in point (32), the words "or equity" shall be added after the word "share", and the words "(including interim distribution)" shall be added after the words "as a distribution of profit";
- (10) in point (34), the words "in Chapter 40" shall be replaced with the words "in Section 10";
- (11) in point (35), the words "by [another] person" shall be added after the words "[or to be received]" [and the words "another person's" shall be deleted after the words "for the use of"];

(12) point (42) shall be edited which reads as follows:

"(42) **transportation of goods** — movement of goods transported by the taxpayer between places of delivery and/or points of delivery thereof or of goods under a deposit, delegation or agency contracts that provide for the condition of acting on behalf of a principal; or of goods transferred or returned for processing; or of goods being returned as a result of processing of inventory received for processing; or movement of goods acquired and transported (including by the carrier) from any place of delivery or point of delivery, without transferring the ownership right over the goods from one person to another;"

(13) in point (50), the words "and/or excise tax" shall be replaced with the words "excise tax and (or) environmental tax";

(14) in sub-point (e) of point (63), the words "in cases of submitting it to those authorities" shall be added [in the end of the sentence].

Article 3. In part 1 of Article 5 of the Code, the words "sections or" shall be added after the word "relevant".

Article 4. [The amendment in sub-point (a) of point (1) of part 1 of Article 6 of the Code concerns only the Armenian version].

Article 5. Point (1) of part 1 of Article 7 of the Code shall be supplemented with sub-point (f) which reads as follows:

"f. pension fee;"

Article 6. In Article 8 of the Code:

- (1) in part 2, the words "and under patent tax with respect to types of activities considered to be patent taxable objects" shall be added after the words "and/or profit tax";
- (2) points (1) and (2) of part 3 shall be edited which reads as follows:
 - "(1) within the framework of the system of turnover tax, organisations shall be taxed under turnover tax replacing the VAT and/or the profit tax, and individual entrepreneurs and notaries shall be taxed under profit tax and turnover tax replacing the VAT, except for types of activities considered to be patent taxable objects;
 - (2) within the framework of the system of patent tax with respect to types of activities considered to be patent taxable objects, organisations shall be taxed under patent tax replacing the VAT and/or profit tax, and individual entrepreneurs — under profit tax and patent tax replacing the VAT;"
- (3) in point (3) of part 3, the words "except for types of activities considered to be patent taxable objects" shall be added after the words "[by Chapter 56 of the Code]".

Article 7. Article 14 of the Code shall be supplemented with part 7 which reads as follows:

"7. Tax calculation shall be carried out in Armenian dram."

Article 8. In Article 15 of the Code:

- (1) in the title, the words "and record-registration thereof" shall be added after the word "[resources]";
- (2) in point (6) of part 3, the words "the rate other than" shall be added before the words "basic tax rate";

- (3) in point (7) of part 3, the words "not mentioned" shall be replaced with the word "mentioned".

Article 9. In sub-point (a) of point (1) of part 1 of Article 16 of the Code the words "of registration" shall be added [before] the words "of the customs declaration for the [import]".

Article 10. In Article 19 of the Code:

- (1) in part 4, the words ", except for cases prescribed by part 6 of this Article" shall be added after the words "the right to tax benefits";

- (2) it shall be supplemented with part 6 which reads as follows:

"6. The provisions of part 4 of this Article shall not extend to the cases of submitting written statement on early termination of the time limit deferral for the payment of VAT amounts (or a part thereof) prescribed by part 4 of Article 79 of the Code."

Article 11. In Article 27 of the Code:

- (1) in part 1, the words ", except for the case prescribed by part 3 of this Article" shall be added after the words "the period of performance of the activity";

- (2) in point (8) of part 1, the words "non resident" shall be added after the words "non resident organisation or";

- (3) in point (1) of part 4, the words "located in the Republic of Armenia" shall be added [after] the words "any place";

- (4) [the amendment in point (1) of part 5 concerns only the Armenian version];

- (5) in point (1) of part 10:

- a. in sub-point (a), the words "supply of goods," shall be added after the words "[contract on]";
- b. in sub-point (c), the words "or import of goods into the territory of the Republic of Armenia" shall be added after the words "[procurement of goods in the territory of the Republic of Armenia]";
- c. in sub-point (d), the words "supply of goods," shall be added [before] the words "[performance of works]".

Article 12. [The amendment in part 2 of Article 33 of the Code concerns only the Armenian version].

Article 13. Part 1 of Article 36 of the Code shall be supplemented with point (4.1) which reads as follows:

"(4.1)carry out monitoring of the transactions of the taxpayer, other sector-specific analysis of the activity and notify the taxpayers through notifications on reduction of risks assessed on the basis thereof;"

Article 14. In part 1 of Article 39 of the Code:

- (1) in point (2), the words "services involving lease (including financial lease (leasing) or use of the vehicle, the place of provision whereof shall be determined as prescribed by point 6 of this part" shall be replaced with the words "lease of movable property (including financial lease (leasing) services or services involving use of movable property)";
- (2) sub-point (e) of point (4) shall be edited which reads as follows:

"e. services involving lease (including financial lease (leasing) services or services involving use of the movable property) of movable property (except for services involving lease of vehicles (including financial lease (leasing) services or services involving use of vehicles, the place of provision whereof shall be determined in the manner prescribed by point 6 of this part),".

Article 15. The words "or a financial asset" shall be deleted from sub-point (c) of point (1) of part 4 of Article 40 of the Code.

Article 16. Part 1 of Article 42 of the Code shall be edited which reads as follows:

"1. For the purposes of this Code, the transaction on supply of goods, performance of works and/or provision of services shall be adjusted in the following cases:

- (1) the subject of the transaction is a product with an expiry date (period of storage);
- (2) the subject of the transaction is a public or communal service and the written contract concluded between the parties to the transaction provides that the scope of these services can be adjusted following the end of the reporting period;
- (3) the quantity, volume and/or qualitative characteristics of the product that constitutes the subject of the transaction — in accordance with the contract on the supply of goods — are checked by the buyer when accepting the goods and it becomes clear that none of them conforms to the conditions prescribed by the contract, which entails partial accepting or return of goods (or a part thereof);
- (4) The goods that constitute the subject of the transaction have been supplied in a larger quantity than prescribed in the settlement document and the excess quantity of goods supplied by the buyer has been accepted;
- (5) in case of such transactions on performance of works or provision of services, where the volume of performed works or provided services at the end of the transaction is bigger or less than the volume provided for in the initially issued relevant settlement document, except for the cases when:

- a. works or services have already (actually) been performed or provided on conditions, referred to in the issued settlement document, conforming to the real conditions of the transaction;
- b. the content of the work or service is such that it does not allow for returning back work or service deliverables;

No adjusting tax invoice or adjusting tax bill accordingly can be issued with regard to the tax invoice or tax bill, where three tax years from the tax year including the date of issue thereof have passed."

Article 17. In Article 44 of the Code:

- (1) in the first part of the sentence of part 2, the words "the given violation has been revealed" shall be replaced with the words "the tax liability has been imposed on the taxpayer";
- (2) in part 2, the words "(except for the case provided for by the second paragraph of part 5 of this Article)" shall be added after the words "upon the completion of the third tax year immediately following the tax year in the course of which it had been committed";
- (3) in part 5:
 - a. the words "or amounts subject to offset (reduction)" shall be added after the word "liabilities";
 - b. the words "unless otherwise provided by this part" shall be added after the words "three years have passed";
 - c. to insert a new paragraph which reads as follows:

"Within the period between the time limit prescribed by this part and the time limit prescribed by part 2 of this Article the taxpayer may submit a tax calculation

report, reducing tax liabilities or increasing the amounts subject to offset (reduction), pertaining to the accounting periods prescribed by the first paragraph of this part, which may be inspected by the tax authority within one year following the day of submitting the calculation report.";

(4) in the first sentence of part 6, the words "by the tax authority" shall be replaced with the words "by the Government of the Republic of Armenia";

(5) in the third sentence of part 6, the word "verification of" shall be [deleted and the sentence shall read as follows:

"For the purposes of this part, no change in tax liabilities or in the amounts subject to offset (reduction) shall be carried out:];

(6) in point (3) of part 6, the words "[W]ith respect to tax or payment, pertaining to the inspection or examination" shall be added [in the beginning of the sentence].

Article 18. In point (5) of part 1 of Article 45, the words "by part 1" of the Code shall be replaced with the words "by part 1 and 2".

Article 19. In Article 46 of the Code:

(1) in part 2, the words "(except for local taxes)" shall be added after the words "tax liability";

(2) the second part shall be supplemented with point (3) which reads as follows:

"3) offset of amounts from the unified account to the treasury account of the state budget whereby are kept the records of the liability with regard to the relevant tax.";

(3) the words "and the laws of the Republic of Armenia on fees" shall be added after the words "except for cases prescribed by the Code" in part 5.

Article 20. In part 2 of Article 47 of the Code, the words "before or on the tenth working day following the submission thereof" shall be replaced with the words "before the due date prescribed by the Code, but not later than the day of liquidation of the organisation".

Article 21. In part 2 of Article 48 of the Code, the words "Where a natural person who is not an individual entrepreneur" shall be replaced with the words "Where a natural person".

Article 22. In Article 51 of this Code:

- (1) part 3 shall be supplemented with a new sentence which reads as follows:
"The amount of tax liability referred to in the information submitted by the tax authority cannot be changed, if the information has been submitted as a result of an inspection carried out in the manner prescribed by the Code.";
- (2) part 4 shall be repealed;
- (3) in part 5, the words "and assuming of tax liability by the heir (heirs)" shall be added after the words "[entrepreneurial activity]";
- (4) in part 6, the words "on 1 December of the tax year" shall be replaced with the words "on the twentieth day of the third month following the month".

Article 23. In point (4) of part 2 of Article 52 of the Code, the words "or the day of executing the transaction or operation considered to be taxable object prescribed by the Code" shall be added after the word "period".

Article 24. In Article 53 of the Code:

- (1) in part 1, the words “by parts 3 and 4” shall be replaced with the words “by parts 3, 4 and 5”
- (2) in part 2, the words “by part 3” shall be replaced with the words “by parts 3 and 12”
- (3) point (2) of the second paragraph of part 8 shall be edited which reads as follows:

"(2) in case the taxpayer resumes the activities within the time period of termination of the activities and does not submit a relevant statement thereon, the activities of the taxpayer are considered to be resumed from the day of their actual resumption.";
- (4) in part 9:
 - a. in point (1), [after] the word "[salary]" shall be [inserted] the words "and other equivalent fees, as well as of temporary incapacity and maternity benefits", and the words "or leave for taking care of a child under the age of three" after the words "forced idleness";
 - b. in point (6), the words ", as well as issued in respect of all expenses incurred in the reporting periods prior to the termination of the activities" shall be added after the words "[by point 2 of this part]";
 - c. the words "for the reporting periods prior to the termination of the activities" shall be deleted from point (7);
 - d. it shall be supplemented with point (9) which reads as follows:

"(9) submitting the statement on choice of an alternative method of making the advance fees of the profit tax.";
- (5) in part 10, the words "Tax calculation report with regard to the calculated tax or fee" shall be replaced with the words "Tax calculation report".

Article 25. In part 5 of Article 54 of the Code, the words ", as well as to the case provided for in the second paragraph of part 5 of Article 44 of the Code" shall be added after the words "shall also extend to the cases of submitting verified tax calculation reports".

Article 26. In Article 55 of the Code:

(1) In part 3:

- a. in point (1), the words "as well as the transportation of acquired goods" shall be added after the words "the reduction in the tax amount";
 - b. in point (2), the words "the acquisition of the right to receive income from the supply of goods, performance of work and/or provision of service" shall be replaced with the words "the acquisition of the right to receive income from the supply of goods, performance of work and/or provision of service, and in the case it contains the information (data) prescribed in the second paragraph of part 3 of Article 381 of the Code - also for documenting the recognition of expenses for acquiring goods, accepting works and/or receiving services";
- (2) in point (8) of part 4, the word "tariff" shall be replaced with the words "tariff, trade discount, where available, (including public trade discount)";
- (3) the word "position," shall be deleted from sub-point (b) of point (9) of part 4;
- (4) in sub-point (c) of point (9) of part 4, the words ", address of the place of delivery or data of the point of delivery, name, surname and signature of the official" shall be added after the words "indication [of "individual entrepreneur" or "IE"]";
- (5) the word "position," shall be deleted from sub-point (b) of point (10) of part 4;
- (6) in sub-point (c) of point (10) of part 4, the words ", address of the place of destination of goods (except for the cases where the goods are handed over to the purchaser in the place of delivery), name, surname and signature of the official" shall be added after the words "indication [of "individual entrepreneur" or "IE"]";

- (7) the word "position," shall be deleted from sub-point (b) of point (3) of part 7;
- (8) in sub-point (c) of point (3) of part 7, the words ", address of the place of destination of transported goods, name, surname and signature of the official" shall be added after the words "indication [of "individual entrepreneur" or "IE"]";
- (9) it shall be supplemented with part 13 which reads as follows:

"13. Expenses for works accepted and/or services received within the framework of civil law contracts concluded with natural persons not deemed individual entrepreneurs and notaries; agricultural products acquired from natural persons not deemed individual entrepreneurs and notaries and engaged in production of agricultural products; property purchased from natural persons not deemed individual entrepreneurs and notaries or property used under lease; goods acquired, works accepted and/or services received from a non-resident organisation registered in but having no permanent establishment in the Republic of Armenia or from a non-resident natural person registered in but having no permanent establishment in the Republic of Armenia, as well as expenses generated with respect to property invested in the authorised capital (share capital) may be documented as other documents not considered settlement documents, drawn up in the manner prescribed by the legislation."

Article 27. In Article 56 of the Code:

- (1) in the first sentence of point (2) of part 5, the words "acquiring assets and services" shall be replaced with the words "acquiring assets, accepting works and receiving services";
- (2) the words "(except for the cases when the delegatee or the agent — pursuant to Section 4 of the Code — is not considered a VAT payer)" shall be deleted from part 6;

- (3) in point (1) of part 8, the words "or works are performed or performance thereof is completed on the day of performance of works or day of completing the performance of works indicated in the settlement document, or services are provided or provision thereof is completed on the day of provision of services or the day of completing the provision of services indicated in the settlement document" shall be added after the words "on the day of supply of goods indicated in the settlement document";
- (4) part 10 shall be edited which reads as follows:

"10. The settlement document relating to the transaction involving supply of goods, performance of work and/or provision of service may — upon the initiative of the organisation, individual entrepreneur or notary supplying goods, performing work and/or providing service — be cancelled in the following cases:

 - (1) the settlement document has been issued in the name of the taxpayer, to whom goods were not supplied, for whom work was not performed, and/or to whom service was not provided;
 - (2) the tax invoice has been issued in violation of one of the restrictions prescribed by Article 67 of the Code;
 - (3) in cases prescribed by point 2 of part 11 of Article 345 of this Code;
 - (4) the settlement document relating to supply of goods, performance of works or provision of services has been filled in with mistakes, which may give rise to legal or financial consequences (for instance penalties, restrictions on expense entry or offsetting) for the issuer or receiver thereof;
 - (5) any data (quantity (volume), price, excise tax, rate of value added tax or amount of value added tax) used in the calculation of the overall value of goods supplied, work performed or service provided on the basis of the settlement document has been filled in with mistakes.

The cancelled settlement document shall not give rise, for parties thereto, to legal consequences prescribed by the Code, including rights and obligations.";

(5) it shall be supplemented with part 11.1 which reads as follows:

"11.1. No settlement document (including adjusting settlement document) may be issued with respect to the transaction, since the tax year covering the day of performance of which three tax years have passed.";

(6) it shall be supplemented with part 13 which reads as follows:

"13. An adjusting tax invoice or an adjusting tax bill shall be issued with respect to the transaction subject to adjusting.".

Article 28. In Article 57 of the Code:

(1) in part 1, the words "goods transported for the purpose of exploiting and/or carrying out the maintenance of public service infrastructures by taxpayers providing public services, fixed assets transported by taxpayers carrying out activities in the spheres included in the list prescribed by the Government of the Republic of Armenia, as well as" shall be added after the word "except for";

(2) in point (b) of part 2, the words "as well as by electronic devices providing tracking of goods through network connection means and transmitting information to the tax authority (hereinafter referred to as "electronic device providing tracking of goods")" shall be added after the words "by the transit declaration,";

(3) in point (2) of part 3, the word "delivery" shall be replaced with the word "supply";

(4) part 3 shall be supplemented with point (4) which reads as follows:

"(4) goods imported by land transport to the territory of the Republic of Armenia from EAEU member states which are - in the case prescribed by Article 358.1 of the Code - actually supplied or transported without electronic devices providing tracking of goods."

Article 29. In Article 59 of the Code:

(1) In part 1:

- a. in the first paragraph, the words "by parts 2 and 3 of this Article" shall be replaced with the words "by parts 2, 2.1 and 3 of this Article";
- b. point (4) shall be supplemented with a new sentence which reads as follows:

"Where pursuant to Section 13 of the Code the taxpayer has ceased to be considered a family entrepreneurship entity before the day indicated in the statement, and where the taxpayer, as of the day of ceasing to be considered a family entrepreneurship entity, pursuant to Section 13 of the Code, may not be considered a turnover taxpayer or failed to submit, within the time limits prescribed by Section 13 of the Code, to the tax authority a statement on being considered a turnover taxpayer as approved by the tax authority, the family entrepreneurship entity shall, in the manner prescribed by point 3 of this part, be considered a VAT payer (the statement shall not be taken into account);".

(2) the word "only" shall be deleted from the first paragraph of part 2;

(3) it shall be supplemented with part 2.1 which reads as follows:

"2.1 The organisations and individual entrepreneurs carrying out activities in the sphere of public catering, record-registered as VAT payers with the tax authority in conformity with point 1 of part 4 of this Article shall be considered VAT payers in the following cases and within the following time limits:

- (1) starting from 1 January of the given tax year until the end of the given tax year, where the organisation or individual entrepreneur failed to submit, within the time limits prescribed by Section 13 of this Code, to the tax authority a statement on being considered a turnover taxpayer as approved by the tax authority;
- (2) the organisation having been granted state registration (in cases prescribed by law, record-registered) during the tax year or the natural person record-registered as an individual entrepreneur, starting from the day of state registration (in cases prescribed by law, record-registration) or the day of record-registration as an individual entrepreneur until the end of the given tax year respectively, where the taxpayer failed to submit, within the time limits prescribed by Section 13 of the Code, to the tax authority a statement on being considered a turnover taxpayer as approved by the tax authority;
- (3) from the day indicated in the statement (but not earlier than the 20th day preceding the day of submitting the statement) until the end of the tax year indicated in the statement, where the taxpayer has submitted a statement to the tax authority making an indication of the fact of being considered a VAT payer and being record-registered as a VAT payer.";
- (4) in part 5:
 - a. the words ", except for cases prescribed in the second paragraph of this part" shall be added after the words "the VAT amounts [arising from these transactions and/or operations]";
 - b. it shall be supplemented with a new paragraph which reads as follows:

In cases when non-commercial organisations and the organisations and individual entrepreneurs producing agricultural products carry out, as prescribed by Article 60 of the Code, transactions considered to be taxable objects, which do not exceed AMD 58.35 million of sales turnover with respect to all types of activities, calculated in the manner prescribed by part 2 of Article 254 of the

Code (except for the transactions involving supply of goods not considered to be agricultural products), as well as in the case prescribed by part 2 of Article 70 of the Code, they shall not be obliged to calculate and pay to the state budget VAT from those transactions in the manner, amount and within the time limits prescribed by the Code."

Article 30. Article 60 of the Code shall be supplemented with part 3 which reads as follows:

"3. The transaction on provision of the transport service related to the transportation of cargo, mail and/or passengers via any type of vehicle shall not be considered VAT taxable object, if it starts and ends outside the territory of the Republic of Armenia."

Article 31. In Article 62 of the Code:

- (1) the words "irrespective of the fact that the return of the container is envisaged under the contract for supply of goods" shall be deleted from part 2;
- (2) in sub-point (b) of the second paragraph of point (2) of part 4, the words "if that amount is not included in the book value of imported product resulting from the processing" shall be added after the words "the amount of excise tax calculated for that new product as prescribed by Section 5 of the Code";
- (3) in the second paragraph of sub-point (b) of point (2) of part 6, the words "starting from the beginning of the tax year preceding the tax year covering the day of performance of the relevant transaction until the performance of the relevant transaction" shall be [deleted] and the words "within 365 days preceding the day [of performance of the relevant transaction]" [shall be inserted after the words "based on the transactions of supply of identical or similar goods, performance of identical or similar work or identical or similar service"];

- (4) the word "significantly" shall be deleted from part 7;
- (5) in the second paragraph of part 9, the words "the tax base prescribed" shall be replaced with the words "the tax base determined".

Article 32. In Article 63 of the Code:

- (1) in part 1, the words "cases prescribed by part 2 of this Article" shall be replaced with the words "transactions and operations prescribed by Articles 64 and 65 of the Code";
- 2) part 2 shall be supplemented with point (4) which reads as follows:
"4) The organisation, individual entrepreneur or the notary considered to be a VAT payer has only provided the buyer with a cash register receipt with regard to transactions and/or operations considered to be VAT taxable object."

Article 33. In part 2 of Article 64 of the Code:

- (1) point (28) reads as follows:
"(28) alienation by a producer of a product containerised in a reusable returnable container of a reusable returnable container meeting the requirements prescribed by the Government of the Republic of Armenia;"
- (2) point (36) shall be edited which reads as follows:
"(36) supply of goods exported from the territory of the Republic of Armenia under the customs procedure other than "Export" (except for the cases of the application of the customs procedure "Re-export" to the goods imported under the customs procedure "Processing within the customs territory");"
- (3) in point (41), the word "items" shall be replaced with the word "property";

(4) in point (47):

- a. in the first paragraph, the word "persons" shall be replaced with the word "taxpayers";
- b. the words "by banks, professional participants in the securities market and other taxpayers" shall be added [after] the words "investment fund management" in sub-point (h);

(5) it shall be supplemented with parts 48 and 49 which read as follows:

"(48) services in the field of tourism provided to foreign tourists, as well as agency services provided by tourism agencies, provided that the tours, trips, excursions within the scope of such services are carried out within the territory of the Republic of Armenia;

(49) alienation by an investment fund of immovable property to a person holding participation in the given investment fund, if the immovable property has been earlier acquired by the investment fund from the given person as an investment against the equity or share in the investment fund."

(6) it shall be supplemented with parts 50 and 51 which read as follows:

"(50) import by the organiser of a duty-free shop under the customs procedure "Release for domestic consumption" for the purpose of completing the customs procedure "Duty-free trade" of foreign goods sold to the persons referred to in the sub-point 3 of point 2 of Article 243 of the Customs Code of the Eurasian Economic Union approved by Annex No 1 of the Treaty on Customs Code of the Eurasian Economic Union of 11 April 2017.

(51) import of goods, having the status of EAEU product, from EAEU member states to the duty-free shops operating in the Republic of Armenia."

Article 34. In point (10) of part 2 of Article 65, the word "those" shall be [deleted and] the words "designated for sale at the duty-free shop" [shall be inserted after the words "supply of goods"].

Article 35. In sub-point (a) of point (3) of part 1 of Article 71 of the Code, the words "(in case of partial payment, partially paid VAT amounts)" shall be added after the words "VAT amounts".

Article 36. In point (8) of part 1 of Article 72 of the Code, the words "has been registered" shall be replaced with the words "has been granted state registration".

Article 37. In the second sentence of part 6 of Article 73 of the Code, the words "or less" shall be added after the word "more", and the words "increase or" shall be added before the word "reduction".

Article 38. In Article 75 of the Code:

- (1) in part 2, the words "by part 4 of Article 59" shall be replaced with the words "by part 5 of Article 59";
- (2) in part 3, the words "tax inspectorate serving Kentron Administrative District of the city of Yerevan" shall be replaced with the words "subdivision of the tax authority serving Kentron Administrative District of the city of Yerevan".

Article 39. In part 2 of Article 78 of the Code, the words "by part 4 of Article 59" shall be replaced with the words "by part 5 of Article 59".

Article 40. In Article 88 of the Code:

- (1) in part 1, in the row of the table related to 2208 90 330 0, 2208 90 380 0, 2208 90 480 0 CN FEA codes:
 - a. the words "value — without VAT and excise tax or customs value or value of acquisition or" shall be deleted from the third column;
 - b. in column four, the words "55 percent, but not less than AMD 550 per litre" shall be replaced with the words "AMD 800 per litre";
- (2) in part 1, 3403 19 100 0, 3403 19 900 0, 3403 99 000 0 CN FEA codes shall also be added to the line of the table related to 2710 19 710 - 2710 19 980 CN FEA codes;
- (3) in part 3, the words "In case of sales" shall be replaced with the words "In case of alienation".

Article 41. Part 2 of Article 89 of the Code shall be supplemented with points (6) and (7) which read as follows:

- "(6) import by the organiser of a duty-free shop under the customs procedure "Release for domestic consumption" for the purpose of completing the customs procedure "Duty-free trade" of foreign excisable goods sold to the persons referred to in the sub-point 3 of point 2 of Article 243 of the Customs Code of the Eurasian Economic Union approved by Annex No 1 of the Treaty on Customs Code of the Eurasian Economic Union of 11 April 2017;
- (7) import of excisable goods, having the status of EAEU product, from EAEU member states to the duty-free shops operating in the Republic of Armenia."

Article 42. Part 2 of Article 103 of the Code shall be supplemented with point (5) which reads as follows:

"(5) compensation fund established on the basis of the law of the Republic of Armenia
"On compensation for the damages caused to life or health of the servicemen while defending the Republic of Armenia".".

Article 43. The word "in this Section" [shall be deleted from] point (3) of part 1 of Article 105 of the Code.

Article 44. In sub-point (14) of part 1 of Article 108 of the Code, the words ", as well as income tax amounts calculated and paid from the salary and other equivalent fees paid as remuneration for labour, refunded (compensated) to the income taxpayer (tax agent) in the manner and size prescribed by the legislation" shall be added after the words "fines accrued in favour of a taxpayer for each delayed day following that term".

Article 45. In Article 109 of the Code:

(1) part 1 shall be edited which reads as follows:

"1. For the purpose of determination of profit tax base:

(1) income derived from the alienation of buildings, constructions (including unfinished and semi-constructed), residential or other premises, land parcels (hereinafter referred to in this part as "building") shall be calculated in the amount not less than the immovable property tax base determined as prescribed by Article 228 of the Code (hereinafter referred to in this part as "cadastral value"). In case the compensation (without VAT) is less than that amount, the positive difference of the cadastral value and amount of actual compensation (without VAT) shall be included in the income of the new owner, as

of the day of the performance of the transaction, as a released liability, except for cases, where the alienator is an individual entrepreneur or a natural person not deemed a notary, which will not give rise to a released liability for the new owner. Moreover, in case of alienation of the building by a resident profit taxpayer or a non-resident profit taxpayer carrying out activities in the Republic of Armenia through a permanent establishment to another entity (a resident or a non-resident organisation, a natural person deemed an individual entrepreneur or a natural person not deemed an individual entrepreneur) in the amount less than its cadastral value (including VAT):

- a. the incomes of the alienator resident profit taxpayer or the non-resident profit taxpayer carrying out activities in the Republic of Armenia through a permanent establishment shall be calculated in the amount of the cadastral value of the building, from which shall be deducted the book value of the building as of the first day of the month that includes the day of alienation, as well as other taxes additionally calculated from the transaction amount in the manner prescribed by law for a resident profit taxpayer or a non-resident profit taxpayer carrying out activities in the Republic of Armenia through a permanent establishment;
 - b. the initial value of the building for a buyer resident profit taxpayer or a non-resident profit taxpayer carrying out activities in the Republic of Armenia through a permanent establishment shall be determined by its cadastral value, and the difference between the cadastral value and its actual acquisition price (without VAT), as a released liability, shall be included in the gross income;
- (2) the income with respect to transactions on transfer for lease or for gratuitous use of the building shall be calculated in an amount not less than 2.5 percent of its cadastral value, and in case of absence thereof — 2.5 percent of the cadastral value corresponding to the portion of the area transferred for lease or for gratuitous use in the total area of the immovable property taxable object, calculated on an annual basis. In case the compensation (without VAT) is less

than that amount, the positive difference of 2.5 percent of cadastral value, and in case of the absence thereof — of 2.5 percent of the tax base corresponding to the portion of the area transferred for lease or for gratuitous use in the total area of the immovable property taxable object, and the amount of the actual rental (without VAT) shall be included in the income of the lessee or borrower, as of the date prescribed by point 4 of part 3 this Article, as a released liability, except for cases, where the lessor or lender is a natural person not deemed an individual entrepreneur or a notary, which will not give rise to a released liability for the lessee or borrower. Moreover:

- a. in case of transfer of the building for lease by a resident profit taxpayer or a non-resident profit taxpayer carrying out activities in the Republic of Armenia through a permanent establishment in an amount less than 2.5 percent (per annum or annualized) of its cadastral value (including VAT):
 - incomes of the lessor resident profit taxpayer or the non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, shall be calculated on the basis of 2.5 percent per annum of the cadastral value of the building (taking into consideration the actual period in the reporting year when the building was transferred for lease), and while determining the profit taxable base the amortisation deductions from the gross income (in case of short-term or operating lease), as well as other taxes additionally calculated as prescribed by law from the transaction amount for a resident profit taxpayer or a non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, shall be deducted;
 - expenses related to lease for a lessee resident profit taxpayer or a non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, shall be calculated on the basis of 2.5 percent per annum of the cadastral value of the building (taking into consideration the actual

period in the reporting year when the building was transferred for lease), and the differentiation of expenses (current, capital) incurred with regard to the building is made on the basis of its cadastral value, and the difference of 2.5 percent of the cadastral value of the building (taking into consideration the actual period in the reporting year when the building was transferred for lease) and the actual rental (without VAT), as a released liability, shall be included in the gross income;

- b. in case of transfer to another entity of the building for gratuitous use by a resident profit taxpayer or a non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment:
 - incomes of the lender resident profit taxpayer or the non-resident taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, shall be calculated on the basis of 2.5 percent of the cadastral value of the building (taking into consideration the actual period of the gratuitous use of the building in the reporting year), and while determining the profit taxable base the amortisation deductions from the gross income, as well as other taxes additionally calculated as prescribed by law from the transaction amount for a resident profit taxpayer or a non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, shall be deducted;
 - rentals for a borrower resident profit taxpayer or a non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, shall be calculated on the basis of 2.5 percent per annum of the cadastral value of the building (taking into consideration the actual period of the gratuitous use of the building in the reporting year), and the differentiation of expenses (current, capital) incurred with regard to the building is made on the basis of its cadastral value, and the 2.5 percent of the cadastral value of the building (taking into consideration the actual period of the gratuitous use of the building in the reporting year), as a released liability, shall be included in the gross income.

During the reporting period, in the case of taking on lease or under gratuitous use a property prescribed by this point and /or termination of the right to lease that property or take it under gratuitous use, the income with respect to the mentioned transactions during the reporting period shall be the product of the income prescribed by the first paragraph of this point and the portion of the days when the property was taken on lease or under gratuitous use in the days included in the reporting period;

- (3) in case of transfer of the building for lease by a resident profit taxpayer or a non-resident profit taxpayer, carrying out activities in the Republic of Armenia through a permanent establishment, in an amount not less than 2.5 percent (per annum or annualized) of its cadastral value (including VAT), the taxes shall be calculated, and the assets and liabilities shall be record-registered on the basis of the actual transaction price.

Provisions of this part shall not apply, where the state or the community is a party to a transaction on alienation or provision for lease or for gratuitous use of property units prescribed by this part (except for cases when the transaction is performed through another organisation).";

- (2) the words "but not later than by thirtieth of June of the tax year following the reporting year inclusive" shall be deleted from point (5) of part 3;
- (3) in part 4:
 - a. in point (9), the word "335" shall be replaced with the word "327";
 - b. in sub-point (a) of point (11), the word "uncollectible" shall be [deleted and the word "written off" shall be replaced with] the words "subject to write off for the purpose of taxation";

- c. in sub-point (i) of point (11), the words "[the time of arising of such accounts payable]" shall be [deleted and] the words "the day when [accounts payable] became overdue" [shall be inserted after the word "following"].

Article 46. In part 1 of Article 111 of the Code, the words "by parts 10-12" shall be replaced with the words "by parts 11-13".

Article 47. In part 1 of Article 111, in point (1) of part 6 of Article 121, in part 13 of Article 150, in part 2 of Article 258 of the Code, the words "by points 1-4" shall be replaced with the words "by points 1-5".

Article 48. Part 1 of Article 120 of the Code shall be supplemented with point (3) which reads as follows:

"(3) the portion of expenses, exceeding AMD three million monthly, substantiated by other documents drawn up as prescribed by the legislation and not considered to be a settlement document in accordance with part 13 of Article 55 of the Code, pertaining to transactions on accepting works and/or receiving services in the framework of civil law contracts signed with each natural person not deemed individual entrepreneur or a notary."

Article 49. Part 1 of Article 121 of the Code shall be supplemented with point (7) which reads as follows:

"(7) assets recognised with regard to mine stripping activities prior to exploitation of the mine shall be amortised proportionally to the extraction of the general supply of approved mineral and shall be included in the approved cost of the extracted mineral. Mine stripping expenses incurred after the exploitation of the mine shall

be attributed to the approved cost of the mineral extracted as a result of mine stripping works. The procedure for attributing of mine stripping expenses to the approved cost of the extracted mineral shall be prescribed by the Government of the Republic of Armenia."

Article 50. In Article 125 of the Code:

(1) part 3 shall be supplemented with a new paragraph which reads as follows:

"Within the meaning of this part:

- (1) the taxpayer, having submitted to the tax authority a statement as approved by the tax authority:
 - a. on terminating the activity for an uncertain period starting from a certain day, shall not calculate and pay profit tax in the amount prescribed by this part for the full months included within the period between the day of terminating the activity (but not earlier than the day of submitting the statement on terminating the activity) referred to in the statement and the day of resuming the activity (but not earlier than the day of submitting the statement on resuming the activity) referred to in the statement submitted as approved by the tax authority;
 - b. on terminating the activity for a certain period starting from a certain day, shall not calculate and pay profit tax in the amount prescribed by this part for the full months included within the period between the day of terminating the activity referred to in the statement (but not earlier than the day of submitting the statement on terminating the activity) and the day of resuming the activity referred to in the statement;
- (2) if the newly record-registered individual entrepreneur or notary, who has - by the end of the day following the day of record-registration - submitted to the tax authority a statement as approved by the tax authority:

- a. on terminating the activity for an uncertain period starting from the day of record-registration, he or she shall not calculate and pay profit tax in the amount prescribed by this part for the full months included within the period between that day and the day of resuming the activity (but not earlier than the day of submitting the statement on resuming the activity) referred to in the statement submitted as approved by the tax authority;
- b. on terminating the activity for a certain period starting from the day of record-registration, he or she shall not calculate and pay profit tax in the amount prescribed by this part for the full months included within the period between that day and the day of resuming the activity referred to in the statement.”;

(2) part 6 reads as follows:

"6. In the case of failure to receive the outcome against the advance payments within 365 days following the day when the advance payment was made by a resident profit taxpayer, as well as a non-resident profit taxpayer carrying out activities in the Republic of Armenia through a permanent establishment to an organisation registered (record-registered) in countries (geographical areas) with specific liberal tax systems prescribed by the Government of the Republic of Armenia, for obtaining goods from organisations registered (record-registered) in those countries (geographical areas), then for that organisation the advance payment shall be deemed other income derived from the sources of the Republic of Armenia starting from the 366th day following the day when it was made, against which profit tax shall be calculated at the rate prescribed by point 5 of part 4 of this Article."

Article 51. In part 1 of Article 126 of the Code:

- (1) in point (1), the words "as a result of actions carried out by the taxpayer" shall be added after the words "[animals and plants]";

(2) in sub-point (f) of point (1), the words "perennial plants" shall be replaced with the words "orchards, small fruit acreages".

Article 52. In point (4) of part 1 of Article 128 of the Code the words "except for the interest income received from a non-resident organisation or non-resident natural persons for a granted loan" shall be replaced with the words "except for the interest income received on an extended borrowing or a placed deposit or a bank account balance".

Article 53. In point (1) of part 1 of Article 130 of the Code, the word "made" shall be replaced with the word "calculated".

Article 54. The words "or expiration of the period prescribed by the same point" shall be deleted from point (7) of part 2 of Article 132 of the Code.

Article 55. In part 3 of Article 134 and part 2 of Article 315 of the Code, the words "tax authority at the place of record-registration of the Central Treasury of the Ministry of Finance of the Republic of Armenia" shall be replaced with the words "subdivision of the tax authority serving Kentron Administrative District of the city of Yerevan".

Article 56. In Article 135 of the Code:

(1) it shall be supplemented with part 2.1 which reads as follows:

"2.1 Profit tax (including verified) calculation report submitted for the previous tax year shall serve as a ground for calculating the amount of the next advance

payment following the day of submitting that calculation report, if the calculation report has been submitted before the due date of the last advance payment in the given tax year.";

(2) in part 6, the words "Article 61" shall be replaced with the words "Article 59".

Article 57. In part 1 of Article 147 of the Code:

(1) point (7) shall be edited which reads as follows:

"(7) the works performed for military servicemen and persons equivalent thereto, the services provided to them or their in-kind (non-monetary) income, as well as the cash payments to compulsory military servicemen (cadets of military-educational institutions) according to Articles 64-66 of the Law of the Republic of Armenia "On military service and status of the serviceman;"

(2) in point (16):

a. sub-point (a) reads as follows:

"a. alienation of a property of the same type of personal, family or household use (an apartment, a private house (including unfinished (semi-constructed), agricultural and residential lands, a garage, a car) for two or more times during the year shall be considered to be alienation of property deemed a subject of entrepreneurial activity, where both the acquisition and alienation thereof have taken place during one year;"

b. the words "of personal use" shall be deleted from sub-point (d);

(3) it shall be supplemented with point (37) which reads as follows:

"(37) compensation amounts paid to beneficiaries on the basis of the law of the Republic of Armenia "On compensation for the damages caused to life or health of the servicemen while defending the Republic of Armenia"."

Article 58. In Article 150 of the Code:

- (1) in part 7, the words "shall be calculated" shall be [deleted and] the words ["a natural person shall calculate" shall be inserted after the words "AMD 58,35 million,";
- (2) in point (1) of part 10, the [figure] "10" shall be replaced with "20";
- (3) in part 12, the words "or in the contractual investment fund" shall be added after the words "in the authorised or share capital of the organisation";
- (4) the second sentence of part 13 shall be edited which reads as follows:
"The income tax in the amount prescribed by this part shall not be calculated where in the absence of the settlement documents prescribed by points 1-4 of part 2 of Article 55 of the Code, documents other than those considered settlement documents, drawn up in the manner prescribed by the legislation, in respect of the paid incomes and substantiating the incomes being paid are available, which indicate the Taxpayer's identification number (if available), the name, surname, address of the place of residence, serial number and/or number of the passport (or other identification document) of the natural person supplying goods, performing work and/or providing service."

Article 59. In part 5 of Article 156 of the Code, the words "their incomes and the income tax calculated and withheld from those incomes" shall be replaced with the words "as well as personal information on foreign nationals or stateless persons having no right to reside within the Republic of Armenia (no residence permit), their incomes and the income tax calculated and withheld from those incomes, except for the information containing bank or insurance secret".

Article 60. In part 4 of Article 159 of the Code, the words "- in proportion to the investment -" shall be added after the words "the invested amount".

Article 61. Article 160 of the Code shall be edited which reads as follows:

"Article 160. Refund of interest amounts paid for the servicing of mortgage loan received by a natural person acting as a hired employee, for the purpose of acquiring an apartment or an individual residential house or building an individual residential house from income tax amounts

1. The income tax calculated in the manner prescribed by the Code (including through a tax agent) with respect to the salary of the natural person acting as a hired employee and fees equivalent thereto shall be refunded in the amount of interest payments made for the servicing of the mortgage loan, received by the natural person acting as a hired employee from a financial organisation resident in the Republic of Armenia after 1 January 2018 for the purpose of acquiring an apartment in the block of flats constructed or under construction in the territory of the Republic of Armenia immediately from the person carrying out development , as well as from the State or the community within the scope of a housing programme implemented by the State and/or the community or for the purpose of acquiring an individual residential house in residential areas or complexes in the territory of the Republic of Armenia immediately from the person carrying out development who is an organisation or an individual entrepreneur or building an individual residential house in the territory of the Republic of Armenia and aimed actually at acquiring an apartment or an individual residential house or building an individual residential house, taking into account the restrictions prescribed by part 2 of this Article.
2. As prescribed by part 1 of this Article:

- (1) the income tax subject to refund in the amount of interest payments made by the natural person acting as a hired employee, for the servicing of the mortgage loan received from a financial organisation resident in the Republic of Armenia after 1 January 2018 and actually aimed at acquiring an apartment from the person carrying out the development, the State or the community, or acquiring an individual residential house from the person carrying out the development who is an organisation or an individual entrepreneur, shall not be refunded to the natural persons acting as hired employees, if the contractual value of the transaction on acquiring an apartment or an individual residential house exceeds AMD 55 million;
 - (2) the total sum of the income tax subject to refund to the borrower and, if available, to the co-borrowers of the mortgage loan in the amount of interest payments made for servicing of the mortgage loan, received from a financial organisation resident in the Republic of Armenia after 1 January 2018 and actually aimed at acquiring an apartment from the person carrying out the development, the State or the community or acquiring an individual residential house from the person carrying out the development acting as an organisation or an individual entrepreneur or building an individual residential house, may not exceed AMD 1.5 million for each quarter;
 - (3) after 1 January 2018 borrower and co-borrower natural persons may at their choice benefit from the possibility of refund of the income tax in the amount of interest payments made by the natural person acting as a hired employee for servicing of the mortgage loan only with respect to one mortgage contract.
3. The amounts prescribed by this Article shall:
- (1) be subject to refund to natural persons acting as hired employees on a quarterly basis;
 - (2) be subject to refund to natural persons acting as hired employees fulfilling tax liabilities through a tax agent where the tax agent has completely fulfilled the tax

liability declared in the income tax calculation report with respect to the salary and fees equivalent thereto, as submitted to the tax authority for all the months of the given quarter;

- (3) be subject to refund to natural persons acting as hired employees who have no tax agent, where the hired employee has completely fulfilled the tax liability declared in the income tax simplified calculation report with respect to the salary and fees equivalent thereto, as submitted to the tax authority for all the months of the given quarter.
4. While determining the maximum amounts subject to refund to natural persons acting as hired employees, from the amounts prescribed by this Article, the quarters of the tax year shall be considered separately.
5. Where after the refund of the amounts prescribed by this Article a verified (simplified) calculation report of income tax is submitted to the tax authority or as a result of inspection or based on court decision the tax liability, declared in the calculation report submitted to the tax authority with respect to the given natural person acting as a hired employee, is changed as a result of which:
 - (1) the income tax liability previously declared in the income tax (simplified) calculation report with respect to the salary and fees equivalent thereto, submitted to the tax authority by the tax agent with respect to the given natural person acting as a hired employee or by a natural person acting as a hired employee who has no tax agent for the months of the relevant quarter, shall be deducted from the income tax amount for which the natural person has received a refund, then an obligation with respect to income tax shall be imposed upon the tax agent or natural person acting as a hired employee who has no tax agent, in the amount of the difference of the actual income tax amount refunded and the verified tax liability with respect to the income tax as of the day of refund of the income tax;

- (2) there is an increase in the income tax liability previously declared in the income tax (simplified) calculation report for the months of the relevant quarter with respect to the salary and fees equivalent thereto, submitted to the tax authority by the tax agent with respect to the given natural person acting as a hired employee or by a natural person acting as a hired employee who has no tax agent, then a recalculation of the income tax amount refundable to the natural person acting as a hired employee shall be carried out pursuant to this Article.
6. The Government of the Republic of Armenia shall define the procedure for the refund of income tax amounts to natural persons acting as hired employees prescribed by this Article.
7. For the purposes of this Article, the authorised body of the Government of the Republic of Armenia keeps a register of blocks of flats, individual residential houses constructed and under construction, as well as provide information to the tax authority as prescribed by the Government of the Republic of Armenia."

Article 62. In point (2) of part 2 of Article 163, in Article 180 of the Code, the words "environmental inspectorate" shall be replaced with the words "environmental and subsoil use inspection authority".

Article 63. In part 2 of Article 197 of the Code, the words "or of mining wastes" shall be added after the words "[processing] of metallic minerals".

Article 64. In part 2 of Article 199 of the Code:

(1) point (2) reads as follows:

"(2) environmental and subsoil use inspection authority — subdivision authorised to exercise administration and inspection in the field of subsoil use and protection,

as well as administration and inspection over compliance with and fulfilment of the requirements of environmental legislation as prescribed by laws;";

(2) point 4 shall be repealed.

Article 65. In point (4) of part 1 of Article 207 of the Code:

(1) in sub-point (a), the figure "6" in the second column of the forth row of the table shall be replaced with the figure "4".

(2) in sub-point (b), the figure "2500" in the third column of the table shall be replaced with the figure "1650".

Article 66. In point (4) of Article 219 of the Code, the words "environmental inspectorate" shall be replaced with the words "Environmental and subsoil use inspection authority".

Article 67. In Article 220 of the Code:

(1) part 1 reads as follows:

"1. Payers of natural resources utilization fee shall not later than the twentieth day, inclusive, of the month following the reporting quarter, in accordance with Articles 52 and 53 of the Code, draw up and submit to the environmental and subsoil use inspection authority and tax authority unified tax calculation reports on environmental tax and natural resources utilization fee in compliance with the procedure prescribed by the Government of the Republic of Armenia.";

(2) in part 2, the words "Mining state Inspectorate, environmental inspectorate" shall be replaced with the words "environmental and subsoil use inspection authority".

Article 68. In Article 236 of the Code:

- (1) in part 2, the words "unless the alienation is carried out by the judicial acts compulsory enforcement officer, bankruptcy administrator or the pledgee" shall be added after the words "state registration [of the transfer of the right of ownership]";
- (2) in part 3, the words "unless the alienation is carried out by the judicial acts compulsory enforcement officer, bankruptcy administrator or the pledgee" shall be added after the words "state registration [of the transfer of the right of ownership]";
- (3) in part 4, the words "- unless the alienation is carried out by the judicial acts compulsory enforcement officer, bankruptcy administrator or the pledgee -" shall be added [after] the words "The body maintaining an immovable property cadastre shall".

Article 69. In Article 251 of the Code:

- (1) in part 4, the words "- unless the alienation has been carried out by the compulsory enforcement officer, bankruptcy administrator or the pledgee -" shall be added after the words "state registration [of the ownership right arising from the alienation contract]";
- (2) in part 5, the words "unless the alienation has been carried out by the compulsory enforcement officer, bankruptcy administrator or the pledgee" shall be added after the words "state registration [of the ownership right arising from the alienation contract]";
- (3) in part 5, the words "all vehicle property taxable objects record-registered in the given community" shall be replaced with the words "given vehicle considered property taxable object";

- (4) in part 6, "except for the cases of alienation carried out by the compulsory enforcement officer, bankruptcy administrator or the pledgee" shall be added before the words "maintaining movable property cadastre shall".

Article 70. In Article 254 of the Code:

- (1) in point (6) of part 3 and in point (7) of part 5 of Article 267 of the Code, the words "entirety of the sums total of the sales turnover of all types of activities and other incomes" shall be replaced with the words "sum total of the sales turnovers";

- (2) it shall be supplemented with part 6 which reads as follows:

"6. The resident commercial organisation and the individual entrepreneur carrying out activities in the sector of public catering may be considered turnover taxpayers in the manner prescribed by part 1 of this Article, where they have submitted to the tax authority a statement on being considered a turnover taxpayer within the time limits prescribed by part 1 of this Article. The resident commercial organisation and the individual entrepreneur carrying out activities in the sector of public catering and considered turnover taxpayers in the manner prescribed by this part shall be considered turnover taxpayers during the given tax year irrespective of the restrictions prescribed by this Chapter, except for the cases, where the resident commercial organisation and the individual entrepreneur carrying out activities in the sector of public catering and considered turnover taxpayers have, in the manner prescribed by part 2.1 of Article 59 of the Code, submitted to the tax authority a statement on being considered a VAT payer and being record-registered as a VAT payer. Within the meaning of this Section organising the consumption of culinary products shall be deemed activities carried out in the sector of public catering. Those activities shall also include services directly related to organising the consumption of culinary products, in particular – service, entry permission."

Article 71. In Article 258 of the Code:

(1) In part 1:

- a. the words "Considering the provisions prescribed by part 2 of this Article" shall be replaced with the words "Considering the provision prescribed by part 2 and 3 of this Article";
- b. the words "and means of transportation" shall be deleted from the first and fifth rows of the table;
- c. the table shall be supplemented with new rows after the row "Incomes derived from the activity of lottery organisation" which read as follows:

"Incomes derived from the activity carried out in the sector of public catering	8
Incomes derived from alienation by turnover taxpayers carrying out activities in the sector of public catering of other assets, not considered culinary products, as well as incomes derived from other activity	20",

- d. in the eighth row of the table, the figure "8" shall be replaced with the figure "10";
- e. the words "or from alienation of other assets" shall be added to the last row of the table after the words "from other activity"

(2) in part 2, the words "the sum total of the customs value, calculated customs duty, VAT, excise tax and/or environmental taxes reflected in the customs declarations of import in respect of the goods imported to the Republic of Armenia or the sum total of the VAT tax base, calculated VAT, excise tax and/or environmental tax" shall be replaced with the words "the sum total of the customs value, calculated customs duty, VAT and/or environmental taxes reflected in the customs declarations of import in respect of the goods imported to the Republic of Armenia or the sum total of the VAT tax base, calculated VAT and/or environmental tax reflected in the tax declarations of import";

(3) it shall be supplemented with part 3 which reads as follows:

"3. The amount of turnover tax calculated for the reporting period in respect of the tax base formed from the activity carried out in the sector of public catering at the rate prescribed by part 1 of this Article shall be deducted in the amount of 5 percent of the total expenses related to activity carried out in the sector of public catering during the reporting period as supported by the settlement documents prescribed by points (1)-(5) of part 2 of Article 55 of the Code, as well as parts 11-13 of the same Article (except for expenses for acquiring or building fixed assets, capital expenditure and current expenses made on fixed assets and amortisation deductions made in relation to the fixed assets and intangible assets, as well as in case of alienation of other assets considered culinary product — expenses for acquisition thereof). Where after the deductions prescribed by this part, the amount of turnover tax is less than four percent of the tax base formed from the activity carried out in the sector of public catering, the deduction of the expenses shall be made in an amount so that the turnover tax comprises 4 percent of the tax base formed from the activity carried out in the sector of public catering. Within the meaning of this part the expenses shall also include the amounts of customs duty, VAT, excise tax and/or environmental tax paid for goods being acquired or imported.";

(4) part 3 shall be edited to read as follows:

"3. The amount of turnover tax calculated for the reporting period in respect of the tax base formed from the activity carried out in the sector of public catering at the rate prescribed by part 1 of this Article shall be deducted in the amount of six percent of the total expenses related to activity carried out in the sector of public catering during the reporting period as supported by the settlement documents prescribed by points (1)-(5) of part 2 of Article 55 of the Code, as well as parts 11-13 of the same Article (except for expenses for acquiring or building fixed assets, capital expenditure and current expenses made on fixed assets and

amortisation deductions made in relation to the fixed assets and intangible assets, as well as in case of alienation of other assets not considered culinary product — expenses for acquisition thereof). Where after the deductions prescribed by this part, the amount of turnover tax is less than four percent of the tax base formed from the activity carried out in the sector of public catering, the deduction of the expenses shall be made in an amount so that the turnover tax comprises four percent of the tax base formed from the activity carried out in the sector of public catering. Within the meaning of this part the expenses shall also include the amounts of customs duty, VAT, excise tax and/or environmental tax paid for goods being acquired or imported."

Article 72. Article 260 of the Code reads as follows:

"Article 260. Procedure for the calculation of the turnover tax amount subject to payment to the State Budget

1. Based on the results of the activity (except for commercial (purchase and sale) activity and the activity carried out in the sector of public catering) of the reporting period, the turnover taxpayers shall pay to the State Budget the amount of turnover tax calculated against the tax base formed during that period, applying the relevant rates prescribed by part 1 of Article 258 of the Code.
2. Based on the results of the commercial (purchase and sale) activity (except for the commercial (purchase and sale) activity of secondary raw material included in the list prescribed by the Government of the Republic of Armenia) of the reporting period, the turnover taxpayers shall pay to the State Budget the difference between the amount of turnover tax calculated against the tax base formed during that period by applying the relevant rates prescribed by part 1 of Article 258 of the Code and the amount deductible from the turnover tax amount calculated as prescribed by part 2 of Article 258 of the Code.

3. Based on the results of the activity carried out in the sector of public catering in the reporting period, the turnover taxpayers shall pay to the State Budget the difference between the amount of turnover tax calculated against the tax base formed during that period by applying the relevant rate prescribed by part 1 of Article 258 of the Code and the amount deductible from the turnover tax amount calculated as prescribed by part 3 of Article 258 of the Code.
4. For the purpose of calculation of the turnover tax in respect of the commercial (purchase and sale) activity or the activity carried out in the sector of public catering, goods shall be record-registered separately."

Article 73. Article 264 of the Code shall be supplemented with part 4 which reads as follows:

- "4. In the case of shifting from the turnover tax system to general tax system, 25-fold of the part not deducted in respect of the expenses for acquiring goods shall, pursuant to part 2 of Article 258 of the Code, be deducted from the gross income of the reporting period including the day of shifting from the turnover tax system to general tax system."

Article 74. In Article 267 of the Code:

- (1) in part 4, the words "(including the activity considered a patent taxable object)" shall be added after the word "activity";
- (2) part 5 shall be supplemented with point (9) which reads as follows:
"(9) the organisations and individual entrepreneurs carrying out activities in the sector of public catering."

Article 75. In part 1 of Article 268 of the Code:

- (1) in point (1), the words "from the day of submitting that statement" shall be replaced with the words "from the day indicated in the statement (but not earlier than the 20th day preceding the day of submitting the statement)";
- (2) in point (3), the [figures] "6 or 8" shall be replaced with the [figures] "6, 8 or 9".

Article 76. Part 3 of Article 270 of the Code shall be supplemented with point 3 which reads as follows:

"3 Unified tax calculation reports of environmental tax and natural resources utilization fees prescribed by Article 180 of the Code."

Article 77. Part 2 of Article 274, point (1) of part 1, point (1) of part 2 and points (1), (2) and (4) of part 3 of Article 276, the first row of the table of part 1, point (1) and part 3 of part 1 of Article 278, points (1)-(3) of part 2 of Article 279, points (2) of parts 1-5 and part 7 of Article 416 of the Code shall be repealed.

Article 78. In Article 275 of the Code:

- (1) in parts 1 and 2, the words ", as prescribed by Article 53 of the Code," shall be added [after] the words "shall submit to the tax authority";
- (2) in part 3, the words "as prescribed by Article 53 of the Code" shall be added [after] the words "shall be submit to the tax authority";
- (3) the words "where payment of patent tax calculated in the manner and amount prescribed by this Chapter has been made until the day preceding the opening day of the reporting period mentioned in the statement on paying patent tax inclusive, except for the case prescribed by part 7 of this Article" and the second paragraph shall be deleted from part 4;

- (4) the words "where payment of patent tax calculated in the manner and amount prescribed by this Chapter with respect to the added baseline data has been made until the day preceding the opening day of the reporting period mentioned in the new statement inclusive, except for the case prescribed by part 7 of this Article" and the second paragraph shall be deleted from part 5;
- (5) the words "in hard copy or" shall be deleted from part 6;
- (6) the words "without paying patent tax" shall be deleted from part 7.

Article 79. In part 7 of Article 275, in parts 5 and 6 of Article 420, in parts 2 and 3 of Article 421 and in part 5 of Article 410, the words "in border communities" shall be replaced with the words "in border settlements".

Article 80. In point (2) of part 3 of Article 276 of the Code, the words "100m²" shall be replaced with the words "600m²".

Article 81. In Article 277 of the Code:

- (1) in part 1, the row "Activities carried out in the sector of public catering" in the table reads as follows:

"Activities carried out in the sector of public catering"	territory, up to 20m ² inclusive	AMD 30 000	AMD 21 000	AMD 21 000	AMD 5 250	AMD 10 500
	territory, 20-50m ² inclusive	AMD 30 000, plus AMD 15 000 per each up to 10m ² exceeding 20m ²	AMD 21 000, plus AMD 10 500 per each up to 10m ² exceeding 20m ²	AMD 21 000, plus AMD 10 500 per each up to 10m ² exceeding 20m ²	AMD 5250, plus AMD 2625 per each up to 10m ² exceeding 20m ²	AMD 10 500, plus AMD 5250 per each up to 10m ² exceeding 20m ²

territory, more than 50m ² , up to 300m ² inclusive	AMD 75 000, plus AMD 21 000 per each up to 10m ² exceeding 50m ²	AMD 52 500, plus AMD 15 000 per each up to 10m ² exceeding 50m ²	AMD 52 500, plus AMD 15 000 per each up to 10m ² exceeding 50m ²	AMD 13 125, plus AMD 7500 per each up to 10m ² exceeding 50m ²	AMD 52 500, plus AMD 15 000 per each up to 10m ² exceeding 50m ²
territory, more than 300m ² , up to 500m ² inclusive	AMD 600 000, plus AMD 12 000 per each up to 10m ² exceeding 300m ²	AMD 427 500, plus AMD 8000 per each up to 10m ² exceeding 300m ²	AMD 427 500, plus AMD 8000 per each up to 10m ² exceeding 300m ²	AMD 200 625, plus AMD 4000 per each up to 10m ² exceeding 300m ²	AMD 427 500, plus AMD 8000 per each up to 10m ² exceeding 300m ²
territory, more than 500m ² in area	AMD 840 000, plus AMD 6000 per each up to 10m ² exceeding 500m ²	AMD 587 500, plus AMD 3500 per each up to 10m ² exceeding 500m ²	AMD 587 500, plus AMD 3500 per each up to 10m ² exceeding 500m ²	AMD 280 625, plus AMD 1750 per each up to 10m ² exceeding 500m ²	AMD 587 500, plus AMD 3500 per each up to 10m ² exceeding 500m ² ".

(2) it shall be supplemented with part 4 which reads as follows:

"4. The settlements prescribed by the Law of the Republic of Armenia "On administrative-territorial division of the Republic of Armenia" shall serve as basis for the application of the monthly rate of patent tax prescribed by part 1 of this Article, except for border villages, the list of which shall be prescribed by the Government of the Republic of Armenia."

Article 82. In Article 280 of the Code:

- (1) in parts 1 and 2, the words "passenger transportation by bus and/or minivan," shall be added after the words "of activities carried out in the sector of public catering";
- (2) in part 3, the words "passenger transportation by bus and/or minivan," shall be added after the words "of activities carried out in the sector of public catering";

- (3) the words "the types of activities carried out in the sector of public catering," shall be deleted from parts 1 and 2;
- (4) the words "the types of activities carried out in the sector of public catering" shall be deleted from part 3.

Article 83. In Article 282 of the Code:

- (1) in parts 2 and 5, the words "passenger transportation by bus and/or minivan," shall be added after the words "in the sector of public catering";
- (2) in part 4, the words "of passenger transportation by bus and/or minivan" shall be added after the words "carried out in the sector of public catering";
- (3) the words "the sector of public catering" shall be deleted from parts 2, 3 and 5;
- (4) the words "the types of activities carried out in the sector of public catering" shall be deleted from part 4.

Article 84. In part 1 of Article 306 of the Code, the words ",by coordinating them in advance with the state authority exercising state regulation in the financial sector as authorised by the Government of the Republic of Armenia" shall be added after the words "unless otherwise prescribed by this Article".

Article 85. The words ", and the patent tax liability shall be subject to record-keeping as of the date of beginning of the patent taxable activities" shall be deleted from part 1 of Article 319 of the Code.

Article 86. Point (1) of part 4 of Article 337 of the Code shall be repealed and in point (2), the words "written assignment has been received from the Prime Minister of the Republic of Armenia and" shall be added before the words "[written information]".

Article 87. Point (5) of part 1 of Article 338 of the Code shall be supplemented with a new paragraph which reads as follows:

"Moreover, the appeals commission of the tax authority may take a decision on carrying out re-inspection only where it is possible to satisfy the appeal brought against the actions of entities having carried out tax inspection only in case of re-inspection and where the taxpayer has expressed his written consent on carrying out re-inspection. Where no written consent on carrying out re-inspection is expressed by the taxpayer the appeal brought against the actions of entities having carried out tax inspection shall be rejected with that respect."

Article 88. Point (6) of part 2 of Article 345 of the Code reads as follows:

"(6) results of analysis carried out through the monitoring system of the tax authority."

Article 89. Point (6) of part 1 of Article 346 of the Code reads as follows:

"(6) results of analysis carried out through the monitoring system of the tax authority."

Article 90. The Code shall be supplemented with Article 358.1 which reads as follows:

“Article 358.1. Application of electronic devices providing tracking of goods

1. Electronic devices providing tracking of goods shall be applied for the purpose of carrying out control over movement of goods imported from EAEU member states to the territory of the Republic of Armenia by land transport.
2. Electronic devices providing tracking of goods shall be applied in cases when the acquisition price (value) of the product imported to the territory of the Republic of Armenia exceeds AMD10 million in accordance with the sum total of settlement documents.
3. The tax authority shall provide the electronic devices indicated in part 1 of this Article that provide for tracking of goods free of charge under the condition of return. The procedure for provision and return of electronic devices providing tracking of goods shall be approved by the Government of the Republic of Armenia.”.

Article 91. Point (5) of part 1 of Article 361 of the Code reads as follows:

“(5) **country (geographical area) having specific liberal tax systems** — a country (a geographical area) having specific liberal tax systems prescribed by the Government of the Republic of Armenia;”.

Article 92. Part 3 of Article 363 of the Code reads as follows:

“3. The transaction carried out between a resident taxpayer and taxpayers registered in countries (geographical areas) having specific liberal tax systems shall be considered as controlled, whether or not the taxpayers are related persons.”.

Article 93. In part 3 of Article 380 of the Code:

(1) in points (4) and (5), the words "prescribed by part 1 of Article 126 of the Code" shall be added [after] the words "of agricultural products";

(2) it shall be supplemented with point (12) which reads as follows:

"(12) sales of newspapers and magazines in news-stalls, if the ratio of the sales turnover of newspapers and magazines exceeds 50 percent of the entire sales turnover. The sales turnover of newspapers and magazines shall be record-registered separately."

Article 94. In parts 1 and 3 of Article 380, in parts 1, 3 and 6 of Article 381, in point (1) of part 1 of Article 384, in part 1 of Article 416 of the Code, the words "or via plastic cards" shall be added after the words "in cash".

Article 95. Point (4) of part 3 of Article 381 of the Code reads as follows:

"(4) the taxpayer identification number (TIN) of the user of cash register machine and in case when the receipt of cash register machine is provided to the representative of the organisation, individual entrepreneur or his/her representative, notary or his/her representative also the taxpayer identification number (TIN) of the organisation, individual entrepreneur or notary having acquired the goods, having accepted the works and/or having received the services;"

Article 96. In part 4 of Article 386 of the Code, the words "persons engaged in" shall be replaced with the words "natural persons other than individual entrepreneurs engaged in".

Article 97. In point (2) of part 1 of Article 387 of the Code, the words "or by individual entrepreneurs" shall be added after the words "by organisations".

Article 98. In Article 388 of the Code:

- (1) in part 2, the words "or of the individual entrepreneur" shall be added after the words "of the organisation";
- (2) in part 4, the words "or the individual entrepreneur" shall be added after the words "the organisation" and the words "or the individual entrepreneurs" shall be added after the words "the organisations".

Article 99. In the table of part 1 of Article 390 of the Code:

- (1) the row related to 010511 CN FEA code reads as follows:

"0207	poultry and food by-products — fresh, chilled or frozen meat, classified under the heading 0105";	meat
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- (2) the table shall be supplemented with new rows after the row related to 010511 CN FEA code, which reads as follows:

"0209	poultry fat separated from lean meat neither defrosted nor extracted by another method — fresh, chilled, frozen, salted, in brine, dried or smoked	meat
0210	poultry meat and meat by-products — salted, in brine, dried or smoked meat; meat and meat meal from meat by-products, granulated or not granulated	meat";

- (3) the table shall be supplemented with new rows after the row related to 3210 00 CN FEA code, which reads as follows:

"3211 00	ready-made driers	driers
3212	pigments (including metallic powders and flakes) — dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufacture of paints (including enamels); stamping foils; dyes and other colouring matter put up in forms or packings for retail sale	pigments";

(4) the row related to 3303 00 CN FEA code reads as follows:

"3303 00	perfume, toilet water	perfume";
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(5) it shall be supplemented with a new row which reads as follows:

3403 19 100 0	lubricating oils, other oils	Refined petroleum products".
3403 19 900 0		
3403 99 000 0		

Article 100. The words "and "Free trade" shall be deleted from part 1 of Article 391 of the Code, and the words "under the customs procedures" shall be replaced with the words "under the customs procedure".

Article 101. The words ", except for goods exported under the customs procedure "Free trade"" shall be deleted from point (2) of part 1 of Article 392 of the Code.

Article 102. In Article 393 of the Code:

(1) in part 3, the words "goods prescribed by part 1 of Article 389 of the Code " shall be replaced with the words "imported goods prescribed by part 1 of

Article 389 of the Code" and the words "the excise stamps envisaged for the stamping of produced goods prescribed by part 1 of Article 389 of the Code, as well as" shall be added after the word "and".

(2) the figure "2402," shall be deleted from point (3) of part 5.

Article 103. In part 3 of Article 396 of the Code, the words "upon the application prescribed by the tax authority" shall be added after the words "by the taxpayer" and the words "upon the application of the taxpayer" shall be deleted from the same part.

Article 104. The Code shall be supplemented with Article 396.1 which reads as follows:

"Article 396.1. Procedure for stamping of goods on the basis of ratified International treaties of the Republic of Armenia

1. Where on the basis of ratified International treaties of the Republic of Armenia stamping the goods with control (identification) marks is being prescribed, regulations envisaged by the Code, other laws and relevant regulatory legal acts ensuring application of stamp system for the organisations and individual entrepreneurs producing or importing goods subject to stamping with labels shall be applied against the organisations and individual entrepreneurs bearing the obligation of stamping the goods with control (identification) marks."

Article 105. Part 1 of Article 402 of the Code shall be supplemented with a new paragraph which reads as follows:

"Within the meaning of application of the penalty imposed in this part on natural persons not deemed individual entrepreneurs and notaries, the calculation report for each full 15 days shall start from the date of adoption of the administrative act indicating the amount of the tax liability subject to discharge."

Article 106. In part 3 of Article 403 of the Code, the words "in the tax calculation report" shall be replaced with the words "in the turnover tax calculation report".

Article 107. The words "and a penalty in the amount of AMD 200 000 shall be imposed for over-reporting the tax loss in the profit tax calculation report of each tax year (without taking into account the amount of tax loss carried over from previous tax years) in the amount of one million drams and more" shall be deleted from Article 404 of the Code.

Article 108. In Article 410 of the Code:

- (1) in parts 1, 3 and 5, the words "or without electronic devices providing tracking of goods" shall be added after the words "without an accompanying document".
- (2) in parts 1-5, the words "or providing tracking of goods" shall be added after the words "for the documentation of supply or transportation of goods";
- (3) part 8 shall be supplemented with a new sentence which reads as follows:
"Where the goods are supplied or transported without electronic devices providing tracking of goods, within the meaning of application of penalties prescribed by this Article, the acquisition price of the product is considered to be the price (the value) of the product."

Article 109. In Article 416 of the Code:

- (1) in part 3, the words "(except for the case prescribed by part 5.1 of this Article)" shall be added after the words "of the rules [for using cash register machines]";
- (2) it shall be supplemented with part 5.1 which reads as follows:

"5.1. Where the cash register machine software is integrated with external (commercial) software, the organisation, individual entrepreneur or the notary shall be penalized in the amount of five million drams for sending to the tax authority - as a result of intervention of mentioned software and/or cash register machine software - information other than the information on the goods printed in the receipt of the cash register machine or actually sold, on the name of performed work or provided service, commodity heading, code, quantity and/or volume of the work or service."

Article 110. In Article 421 of the Code:

- (1) part 1 reads as follows:

"1. In case of detecting by a complex or thematic tax inspection the fact of engagement without a patent in a type(s) of activities deemed a patent taxable object, in the given place of carrying out activities, the amount of patent tax calculated in the manner prescribed by Chapter 57 of the Code for the period of actually carrying out the activities without a patent shall be levied from the organisation and/or the individual entrepreneur and the organisation and/or the individual entrepreneur shall receive a warning, except for the cases prescribed by part 2 of this Article. In case of committing the violation mentioned in this part again with respect to the same type(s) of activities deemed a patent taxable object within a year following the recording by the complex or thematic tax inspection act, a penalty shall be imposed on the organisation and/or individual

entrepreneur for the period (but not less than three months) of actually carrying out the activities without a patent in the two-fold of the patent tax amount calculated as prescribed by Chapter 57 of the Code, except for cases prescribed by part 2 of this Article. The coefficient prescribed by part 1 of Article 279 of the Code shall not be taken into account for the calculation of the penalty prescribed by this part.”;

- (2) in part 4, the words "of part 3" shall be replaced with the words "of parts 1 and 3".

Article 111. In Article 444 of the Code:

- (1) in part 7, the words "to the dividends declared" shall always be replaced with the words "to the dividends received by a participant as a profit distribution from the profits attributed to the periods (received as a result of activity during such periods)";

- (2) part 9 reads as follows:

"9. Sections 11 and 12 of the Code (except for part 3 of Article 238 of the Code) shall enter into force from 1 January 2019. 1 January 2018 shall be the date on which - for the purpose of calculation of immovable property tax - the provision on submission of information on immovable property, according to the owners of immovable property, considered to be an immovable property taxable object prescribed by Article 227 of the Code (according to land parcels and/or respective developments thereof), and information on the respective cadastre values and computational net incomes thereof by the body, maintaining immovable property cadastre, to the bodies record-registering taxpayers, shall enter into force."

Article 112. In part 1 of Article 445 of the Code:

- (1) in point (4), the words "until 31 December 2019, inclusive" shall be replaced with the words "for a term of five years starting from the day of providing the certificate";
- (2) in point (5), the words "until 31 December 2019, inclusive" shall be replaced with the words "for a term of five years starting from the day of providing the certificate, as well as except for the provisions envisaged in Article 8.2 of this Law, which shall continue having effect in respect of mortgage loans received in the period between 1 November 2014 until 31 December 2017, inclusive".
- (3) points (9) and (10) shall be repealed.

Article 113. Article 446 of the Code shall be supplemented with part 2 which reads as follows:

- "2. For the purposes of applying Articles 62, 109, 145 and 147 of the Code the cadastral value deemed to be property tax base pursuant to Article 5 of the Law of the Republic of Armenia "On property tax" in case of buildings, constructions (including unfinished, semi-constructed), residential or other premises, and in case of land parcels -land taxable objects pursuant to Article 2 of the Law of the Republic of Armenia "On land tax."

Article 114. In Article 449 of the Code:

- (1) part 2 shall be repealed;
- (2) it shall be supplemented with part 3 which reads as follows:
- "3. Separate VAT amounts in tax bills of taxpayers as of 1 January 2018, not offset, shall be subject to offset through the procedure effective until 1 January 2018."

Article 115. Article 450 of the Code shall be supplemented with part 3 which reads as follows:

"3. The excise tax paid during the import in respect of stock- on-hand of diesel fuel imported before 31 December 2017, inclusive and in the possession of taxpayers as of 1 January 2018, in the amount of AMD 22 000 for each tonne, shall be considered to be excise tax amount being offset (reduced) and shall be included in the unified calculation report of value added tax and excise tax submitted for the reporting period of January 2018 as a separate excise tax amount in the declaration on raw materials imported to the territory of the Republic of Armenia and shall be credited to the joint account, in case it is substantiated by the results of inspection or examination carried out as prescribed by Section 17 of the Code. For the purpose of ensuring application of this part the taxpayers shall be obliged to record-register the stock-on-hand of diesel fuel as of 1 January 2018 and submit to the tax authority the information thereon in accordance with the form approved by the tax authority before 20 January 2018, inclusive."

Article 116. In Article 451 of the Code:

- (1) in parts 4 and 5, the words "[F]or the purpose of calculation of the amounts of amortisation deductions on intangible assets" shall be added [before] the words "[where the] fixed assets";
- (2) in point (1) of part 5, the words "taking into account capital expenditure made on the relevant fixed asset or intangible asset in the period between 1 January 2014 and 1 January 2018 and results of re-evaluation carried out in a manner prescribed by law" shall be added after the word "[costs of the fixed assets]";
- (3) it shall be supplemented with part 5.1 which reads as follows:

"5.1. Within the meaning of part 3 of Article 121 of the Code the provisions of parts 4 and 5 of this Article shall not be applicable for the purpose of classification of

expenses made on the fixed assets and intangible assets as capital expenditure or current expenses and record-registration thereof.";

(4) part 7 reads as follows:

"7. The minimum profit tax amounts paid and actually not offset from the profit tax pertaining to the reporting periods before 1 January 2014 shall be offset from the actual profit tax amounts exceeding the amounts of profit tax advance payments of resident taxpayers pertaining to the reporting periods falling after 1 January 2018."

Article 117. In part 8 of Article 456 of the Code, the figure "8" shall be replaced with the figure "7".

Article 118. Article 457 of the Code shall be supplemented with part 6 which reads as follows:

"6. The organisations, individual entrepreneurs and notaries (except for turnover taxpayers) not using cash register machines, forwarding via network connection means information on the sum total of cash settlements made during the day as of the day of entry into force of the Code, shall within the first five working days of each month prior to the time limit provided for by part 5 of this Article submit to the tax authority of the place of their record-registration information on the sum total of cash settlements made via each cash register machine during the previous month, in the form prescribed by the Government of the Republic of Armenia. The turnover taxpayers shall prior to the time limit provided for by part 5 of this Article include the quarterly information on the sum total of cash settlements made via each cash register machine in the turnover tax calculation report, submitted to the tax authority in the prescribed manner."

Article 119. This Law shall enter into force on 1 January 2018, except for cases provided for by parts 1-5 of this Article.

1. Point (6) of Article 33 of the Code shall enter into force on the day of entry into force of the Treaty on Customs Code of the Eurasian Economic Union.
2. The sub-point (b) of point (1) of Article 26, points (2) and (4) of Article 28, sub-point (a) of point (1), point (3) of Article 29, Article 47, point (2) of Article 70, sub-points (a) and (c) of point (1) and point (3) of Article 71, Article 72, point (2) of Article 74, point (2) of Article 75, Article 77, points (3) and (4) of Article 82, points (3) and (4) of Article 83, Article 90, Article 95 and Article 108 of the Code shall enter into force from 1 July 2018. The organisations and individual entrepreneurs carrying out activities in the sector of public catering deemed value added taxpayers during 2018, prior to the entry into force of sub-point (a) of point (1) and part 3 of Article 29, point (2) of Article 70, sub-points (a) and (c) of point (1) and point (3) of Article 71, Article 72, point (2) of Article 74, point (2) of Article 75, Article 77, points (3) and (4) of Article 82, points (3) and (4) of Article 83 of this Law shall continue to be deemed value added taxpayers until the end of 2018. The organisations and individual entrepreneurs carrying out activities in the sector of public catering shall pay patent tax during 2018 and shall be deemed patent taxpayers for the reporting period(s) until 1 July 2018. The amounts of patent tax paid before 1 July 2018 for any reporting period within the meaning of Article 281 of the Tax Code of the Republic of Armenia included in the 2 quarter of 2018, shall be credited to the unified account during the 2 quarter of 2018.
3. Sub-point (d) of point (1)[correction](#) and point (4) of Article 71 of this Law shall enter into force from 1 January 2019.
4. Article 61 of this Law shall enter into force from 1 January 2018 and shall apply:

- (1) to the apartments or residential houses acquired from the person carrying out development (State or community) after 1 January 2018;
 - (2) to the mortgage loans received after 1 January 2018 aimed at building an individual residential house.
5. Point (2) of Article 111, point (1) of Article 112 and Article 113 of this Law shall enter into force from 1 January 2018 and shall be valid until 1 January 2019.
 6. The amounts of income tax calculated (withheld) with respect to dividends received by foreign nationals and stateless persons after 1 January 2017 regarding profits pertaining to the periods prior to 1 January 2017, shall be deemed to be overpayments, in case of submitting a relevant adjusted calculation report.
 7. The goods prescribed by part 1 of Article 390 of the Code, for which no legal requirement of stamping with labels has been prescribed by the legislation prior to 1 January 2018 and which have been acquired by persons not deemed direct producers or direct importers prior to 1 January 2018 and are in their possession as a stock-on-hand as of 1 January 2018, may be sold by sellers of goods subject to mandatory stamping, not deemed direct producers or direct importers, without stamping with labels prior to 31 March 2018, inclusive.

**President
of the Republic of Armenia**

S. Sargsyan

29 December 2017

Yerevan

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