LAND CODE OF THE REPUBLIC OF ARMENIA

(Adopted on 2 May 2001)

This Code shall define the legal grounds for the improvement of state regulation of land relations, development of various legal and organisational forms of land management, improvement of soil fertility and increase of effectiveness of land use, maintenance and improvement of an environment favourable for human life and health, protection of rights to land, based on the great environmental protection, economic and social significance of the land due to which the land is used and maintained in the Republic of Armenia as a condition for vital activities of people.

The possession, use and disposition of land must not cause harm to the natural environment, the defensibility and security of the country, must not violate the rights and lawful interests of citizens and other persons.

GENERAL PART

CHAPTER 1

GENERAL PROVISIONS

Article 1. Land legislation and other regulatory legal acts covering land relations

1. The land legislation shall include the appropriate provisions of the Constitution and the Civil Code of the Republic of Armenia, this Code and other laws (hereinafter "laws") of the Republic of Armenia regulating the land relations and adopted in accordance thereto.

2. In the cases and within the scope provided for by this Code and other laws regulating land relations, the public administration bodies and local self-government bodies may adopt regulatory legal acts covering land relations.

3. Laws and other regulatory legal acts covering land relations provided for by this Code must comply with this Code.

4. The Civil Code of the Republic of Armenia (hereinafter referred to as "the Civil Code") shall, with regard to lands, be applied to the land relations with due consideration to the provisions of this Code.

5. Where international treaties ratified by the Republic of Armenia define norms other than those provided for by this Code, the norms of treaties shall apply.

Article 2. State regulation of land relations

1. state regulation of land relations shall include the following:

(1) determination of state policy directions in the field of management, possession, use and disposition of land resources;

(2) adoption of laws and other regulatory legal acts covering land relations, as well as supervision over the implementation thereof;

(3) establishment of the concept for land reforms;

(4) classification of land fund as per intended purpose, soil types and operational significance;

(5) implementation of programmes and single investment policies in the field of activities relating to the improvement of soil fertility, the use and preservation of lands, as well as to natural agricultural zoning thereof;

(6) establishment of single principles for licensing of the activities aimed at land monitoring, land development and land investigation;

(7) management and disposition of the lands falling under the ownership of the State, establishment and amendment of the procedures for the allocation of lands — falling under the ownership of the State— under the right to alienation and use thereof, as well as those for authorised use;

(8) alienation of land parcels falling under the ownership of the community, citizens and legal persons, for the purpose of ensuring overriding public interests;

(9) establishment of a special legal regime for lands of individual intended purpose and restrictions on the use thereof;

(10) international cooperation in the field of land use and land preservation, improvement of soil fertility;

(11) determination of the competences and the rules of procedure for the state authorised bodies for management of land resources (hereinafter referred to as "the authorised management bodies"), as well as their interrelations with other public administration bodies and local self-government bodies;

(12) ***(point repealed by HO-228-N of 23 June 2011)***;

(13) approval and publication of the annual land report of the Republic;

(14) maintenance of State Unified Cadastre for Real Estate;

(15) establishment of principles on the payment for lands, amounts of land taxes and tax privileges;

(16) approval of the description of administrative boundaries of the communities and Marzes [regions].

2. The state management of land resources of the Republic of Armenia shall be carried out either directly by the Government of the Republic of Armenia (hereinafter referred to as "the Government") or through authorised management bodies.

2.1. In accordance with Articles 31-35 of this Code, the State Committee of Real Estate Cadastre shall be the authorised management body with respect to the regulation of land relations, maintenance of the State Unified Cadastre for Real Estate, rights and restrictions registered over real estate, management of information on use and price, as well as implementation of state control within the limits of its competence.

3. Authorised management bodies shall exercise the powers reserved thereto directly and/or through their territorial subdivisions.

(Article 2 edited by HO-186-N of 27 November 2006, amended by HO-228-N of 23 June 2011, supplemented by HO-300-N of 23 March 2018, amended by HO-409-N of 24 October 2018)

Article 3. Competences of local self-government bodies in the field of regulation of land relations

In the field of regulation of land relations the local self-government bodies shall:

(1) as prescribed by the legislation of the Republic of Armenia, draw up and approve the general layout of the community (the residential area) (hereinafter referred to as "the general layout"), the zoning plan for urban development and the land use scheme, as well as define and alter the intended purpose and the operational significance of lands under the procedure established by the Government;

(2) in accordance with the general layout, the zoning plan for urban development and the land use scheme, as prescribed by the legislation of the Republic of Armenia, provide and withdraw the land parcels falling under the ownership of the community and State ;

(3) dispose, in a manner prescribed, of the land parcels falling under the ownership of the community;

(4) carry out the following:

- current registration of lands;
- current classification of land cover of terrestrial area;
- levy of land taxes and charges for state and community lands;
- oversight over the use of land parcels and the observance of restrictions thereon;
- other powers defined by law;

(5) provide support to the following:

- state registration of lands;
- ensuring the preservation of the land parcels situated within administrative boundaries of the communities;
- application of environmental protection and historical-cultural norms and implementation of measures designed therefore;
- implementation of national and regional plans of the forest land use schemes.

(Article 3 edited, amended by HO-228-N of 23 June 2011, supplemented by HO-360-N of 13 June 2018)

Article 4. Land relations

1. Social relations arising in respect of disposition, possession and use of land parcels as well as those arising among public administration bodies and local self-government bodies, citizens and legal persons as regards the management of land resources shall be deemed as land relations.

The regulation of land relations shall be based on the following:

(1) combined use of land as a natural and real estate object, a basic means for production, and as a territorial basis;

(2) determination of the diversity of entities of land ownership and land use, as well as of the competences of public administration bodies and local self-government bodies in the field of regulation of land relations in the Republic of Armenia;

(3) principle of legal equality of entities of ownership in land relations;

(4) inadmissibility of the unlawful state intervention in the disposition and use of lands by citizens and legal persons.

Property relations arising with regard to the disposition of land parcels shall be regulated by the Civil Code, laws and other regulatory legal acts containing norms of civil law unless otherwise provided for by this Code.

2. Entities of land relations shall be deemed to be the Republic of Armenia, the communities, as well as legal persons and citizens of the Republic of Armenia, foreign legal persons and foreign nationals, stateless persons, foreign States, international organisations and persons with special residence status.

3. In accordance with the Constitution of the Republic of Armenia, foreign nationals and stateless persons may not have the right of ownership over lands in the Republic of Armenia. They may act only as land users

Persons with special residence status in the Republic of Armenia shall constitute the only exception.

3.1. The restriction provided for in the first paragraph of point 3 of this Article shall not apply to land parcels adjoining house, gardening lands, those designed for the construction and maintenance of private dwelling houses, for the construction and maintenance of public and production facilities and for the construction and maintenance of residential block of flats.

4. Objects of land relations shall be deemed to be land parcels and the rights thereto.

(Article 4 supplemented by HO-27-N of 27 February 2012, HO-73-N of 16 January 2018)

Article 5. Land parcel

1. Land parcel shall be considered as the piece of overground and underground area of land having fixed borders, an area (a surface, a code), location, legal status together with restrictions provided for by law that are registered and reproduced in the State Unified Cadastre for Real Estate.

2. The borders of a land parcel shall be set forth in cadastral maps, in documents certifying the right of ownership and right to use, and shall be reproduced on the site.

3. The legal status of a land parcel shall include the right of ownership and other property rights and restrictions thereto — registered in a prescribed manner, as well as the intended purpose thereof.

4. Land parcels and the rights thereto and the restrictions on the use thereof, as well as objects (soil layers, separate water facilities, forests, perennial seedlings, buildings and premises) located on land parcels, the separation whereof proves to be impossible without affecting their significance, shall be put into circulation in an indivisible manner, unless otherwise provided for by law.

5. A land parcel may be divisible and indivisible.

A land parcel shall be considered as divisible where it may be divided into parts without any change in the intended purpose and authorised use thereof, and each part may be considered as a separate land parcel subject to state registration.

A land parcel shall be considered as indivisible, where it may not be divided into separate land parcels due to the intended purpose and authorised use thereof.

A land parcel may be recognised as indivisible based on law and other legal acts.

CHAPTER 2

LANDS OF THE REPUBLIC OF ARMENIA

Article 6. Land fund of the Republic of Armenia

1. The land fund of the Republic of Armenia shall, as per intended purpose (categories), be classified as follows:

(1) lands of agricultural significance;

(2) residential areas;

(3) lands of industrial, subsoil use and of other significance of production;

(4) facilities of energy, transport, communication, utility infrastructures;

(5) specially protected areas;

(6) lands of special significance;

(7) forest lands;

(8) aquatic lands;

(9) reserve lands.

2. The land of each intended purpose shall, as per the nature of use, be classified to soil types or lands of operational significance.

Article 6.1. Classification of land cover of terrestrial area

1. The land cover of terrestrial area is the observable biophysical cover of the earth surface.

2. The land cover of terrestrial area shall be classified as:

(1) cultivable lands — lands that are used for growing agricultural crops, include agricultural arable lands of the land fund and perennial seedlings, from the residential lands — lands adjoining house and gardening lands (partially), from forest lands — arable lands;

(2) meadows — a part of the terrestrial area that is covered with shadowy vegetation, include, from the agricultural lands of the land fund — haylands, grasslands, other soil types (partially), from residential lands — lands for mixed site development and common lands (partially), lands of specially protected areas (partially), lands of special significance (partially), forest lands — haylands, grazing lands, other lands (partially);

3. woodland areas — a part of the terrestrial area that is covered with woody vegetation, include the lands of specially protected areas of the land fund (partially), and from forest lands — forests;

(4) bushy areas — a part of the terrestrial area that is covered with bushy vegetation, include the lands of specially protected areas of the land fund (partially), and from the forest lands — bushes;

(5) water-covered areas — a part of the terrestrial area that is occupied by bodies of water (rivers, natural and artificial dams and lakes), including the water lands of the land fund (partially) and the lands of specially protected areas (partially);

(6) areas deprived of vegetation — include other forms of agricultural lands of the land fund (partially), from the lands of settlements — lands adjoining to house and gardening lands (partially), lands for mixed site development and common lands (partially), public and other lands (partially), industrial, subsurface and other production lands, the lands of energy, communication, transport and communal infrastructure facilities, the lands of specially protected areas (partially), lands of special significance (partially), other forest lands (partially), water lands (partially), reserve lands.

3. The procedure for classification of the land cover of terrestrial area shall be established by the Government of the Republic of Armenia.

(Article 6.1 supplemented by HO-360-N of 13 June 2018)

Article 7. Intended purpose, soil types, operational significance of lands

1. The intended purpose of lands shall be deemed as the series of conditions, features and peculiarities of land use and land exploitation for specific purposes.

2. ***(part repealed by HO-228-N of 23 June 2011)***

3. Soil type shall be considered as the series of features for lands of agricultural significance and forest lands characterising the operational use thereof.

4. The operational significance of a land parcel shall be deemed to be the series of physical, qualitative and normative features — defined by regulatory legal acts, documents on urban development and land development — comprising the scope of authorised use of land parcels and changes therein.

5. The intended purpose of lands, soil types and operational significance, as well as restrictions on land use shall be specified in:

(1) decisions of public administration bodies and local self-government bodies on allocating (transferring) land parcels or establishing special legal regimes for the use of specially protected areas and lands of other significance;

(2) certificates, contracts and other documents certifying the right to a land parcel;

(3) documents of the State Unified Cadastre for Real Estate;

(4) state registration documents;

(5) schemes, general layouts for use of community lands.

6. The legal regime for lands shall be established in accordance with laws and regulatory legal acts.

The soil types and lands of operational significance shall be classified by state authorised bodies.

7. Arbitrary change in intended purpose and operational significance of lands defined by this Code, other laws and regulatory legal acts adopted on the basis thereof shall serve as a ground for:

(1) declaring — through judicial procedure — as invalid the acts of public administration bodies and local self-government bodies, as well as the transactions concluded on the basis thereof with regard to land parcels;

(2) rejecting the state registration of rights to land.

8. To define that:

(1) in case of a change, in a prescribed manner and upon the initiative of the owner, in the intended purpose of land parcels falling under the ownership of citizens or legal persons, except for land parcels used (designed) for greenhouse, cattle-breeding, poultry raising, farms for storage of cold fruits and vegetables and reprocessing of agricultural products and fishery dams, the owner of the land parcel shall, as per the location of the property and within a period of three months, transfer to the community budget the difference between the cadastral values of the land parcels available at the moment of change in the intended purpose, if after the change in intended purpose of the land parcel the cadastral value thereof is higher than that prior to the change;

(2) ***(point repealed by HO-109-N of 3 October 2013);***

(3) the intended purpose of the land parcel used for building greenhouses, cattle-breeding, poultry raising farms, farms for storage of cold fruits and vegetables, reprocessing of agricultural products and for fishery dams shall be deemed as

changed after the head of community adopts a decision on changing the intended purpose of the land parcel concerned and issues an authorisation for construction, which shall be reflected in the data of current registration of the land fund and in the annual balance sheets for lands.

(Article 7 supplemented by HO-61-N of 1 March 2011, amended and edited by HO-228-N of 23 June 2011, supplemented, amended and edited by HO-109-N of 3 October 2013)

Article 8. Authorised use of land parcels

1. The authorised use of a land parcel shall be deemed to be the use of the land parcel as per the intended purpose and operational significance thereof, including the rights and restrictions defined thereof.

The authorised use of a land parcel shall be determined in accordance with the regulatory legal acts, land use schemes, other documents on land development, general layouts and zoning plan for urban development.

2. The authorised use of a land parcel may contain requirements for:

(1) prohibition of the measures on land use and the part thereof which result in the reduction of soil quality and fertility or degradation of natural environment;

(2) the density of site development, the height of a building or premise and the peculiarities of locating on a land parcel in accordance with documents, norms and rules on urban development;

(3) installation of social and cultural, utility, production and other buildings and premises within the boundaries of a respective zone or land parcel;

(4) forms of land use adversely affecting human health or related with such a risk;

(5) permissible standards of impact natural environment;

(6) preservation of green seedlings;

(7) implementation of measures preventing desertification, erosion, pollution, swamping, saltification of land and other phenomena;

(8) implementation of measures aimed at preserving the land and restoring the damaged land;

(9) ensuring measures aimed at preserving the environmental protection systems, integrity of sanitary-hygienic conditions and biodiversity on lands;

(10) measures aimed at protecting agricultural, urban development, environmental protection, historical and cultural values and historical environment provided for by laws and regulatory legal acts of public administration bodies and local self-government bodies.

3. The requirements for authorised use of a land parcel shall be determined irrespective of the rights to that land parcel and the form of ownership.

(Article 8 edited by HO-228-N of 23 June 2011)

CHAPTER 3

AGRICULTURAL LANDS

Article 9. Concept and composition of agricultural lands

1. Soil types allocated for agricultural needs and envisaged for cultivating agricultural plants, planting perennial seedlings, haying, livestock grazing as well as other agricultural purposes aimed at implementation of agricultural activities, shall be deemed to be agricultural lands.

2. Agricultural lands shall, as per soil types, be classified as:

(1) arable lands;

(2) perennial seedlings;

(3) meadows;

(4) grassland;

(5) other soil types.

3. Agricultural soil types shall be subject to special protection. The transfer of these lands to non-agricultural lands shall be permitted in exceptional cases as prescribed by Article 7 of this Code.

The procedure for the use of agricultural lands shall be determined by the land owners, land users in accordance with natural agricultural zoning of lands, land use schemes and other documents on land development and regulatory legal acts.

4. Agricultural soil types of high value shall be transferred to soil types of lower value upon the permission of the head of community under the procedure established by the Government.

(Article 9 amended by HO-228-N of 23 June 2011)

CHAPTER 4

RESIDENTIAL LANDS

Article 10. Concept and composition of residential lands

1. The lands envisaged for residential development, creation of favourable environment for vital activities, site development and improvement shall be deemed to be residential lands.

2. Residential lands shall, as per operational significance, be classified as:

(1) residential site development;

(2) public site development;

(3) mixed site development;

(4) common lands;

(5) other lands.

3. The classification of residential lands shall — as per operational significance — be defined in the general layout and zoning plans for urban development.

4. Land parcels allocated and designed for building and maintaining dwelling houses, auxiliary premises thereof, residential blocks of flats, gardening, separate buildings and premises of residential significance, shall be deemed as residential site development lands.

5. Land parcels allocated and designed for providing social services to the public, building and maintaining the buildings and premises of administrative and public organisations and those of other public significance, shall be deemed as public site development lands.

6. Areas composed of complexes of residential, public site development, common use lands where none therefrom has prevailing significance, shall be deemed as mixed site development lands.

7. The land areas of residential areas, occupied with streets, squares, parks and other areas of public use, shall be deemed as common lands.

8. Residential, public, mixed site development lands and those designed for common use but not undergone site development yet, shall be deemed as other lands.

(Article 10 amended by HO-228-N of 23 June 2011)

Article 11. Borderlines of a residential area

1. The borderlines of a residential area shall be determined on the basis of approved documents on urban development and land development.

2. All lands included in the land fund may fall within residential boundaries.

3. The lands falling within administrative boundaries of a community with the purpose of urban development shall be used for the purposes and by stages defined by the general layout, zoning plans for urban development and land use schemes.

4. The inclusion of land parcels within residential borderlines may not lead to change or termination of the rights of owners or users thereof.

5. The legal regime defined by documents on urban development and land development shall apply to the lands falling within residential boundaries.

(Article 11 edited by HO-228-N of 23 June 2011)

Article 12. Suburban zones

The borders and the legal regime of suburban zones shall be defined by law.

CHAPTER 5

LANDS WITH FACILITIES OF INDUSTRIAL, SUBSURFACE AND OF OTHER SIGNIFICANCE OF PRODUCTION

ARTICLE 13. Lands with facilities of industrial, subsurface and of other significance of production

1. Land parcels allocated and designed for industrial, agricultural production, those ensuring conditions for exploitation of technological equipment, construction and

maintenance of buildings and premises designed for storage houses as well as those for the utilisation of subsurface, shall be deemed as lands of industrial, subsurface and of other significance of production.

Lands with facilities of industrial, subsurface and of other significance of production shall — as per operational significance — be classified as:

(1) industrial facilities;

(2) facilities of agricultural production;

(3) storage houses;

(4) land parcels allocated for the utilisation of subsurface resources.

2. The documents on urban development and land development shall specify zones with the aim of creating conditions required for public safety and for the operation of production facilities wherein special legal regime (preservation, sanitary, etc.), including servitudes, shall be defined relating to land use and restrictions on land parcels.

Any activity on such lands, contradicting the special legal regime, shall be prohibited.

Within the boundaries of these zones, land parcels of owners may not be withdrawn except for the cases where such land parcels are totally removed from economic circulation under the regime determined for the zone concerned, as well as in the cases provided for by laws.

3. The land parcels removed from economic circulation in accordance with sanitary and preservation requirements, shall be provided to legal persons and institutions the activities whereof require determination of sanitary zones or shall be classified as reserve fund lands.

4. The special conditions on the use of lands with facilities of industrial, subsurface and of other significance of production, shall be determined as prescribed by law.

When allocating land parcels, the procedure for the use of such lands in the territories of the facilities subject to special regulation, shall be defined by the state authorised body agreed with respective public administration bodies.

5. The sizes of land parcels allocated or acquired for building or maintaining buildings and premises ensuring conditions for the exploitation and production of industrial, agricultural, technological equipment, shall be determined in accordance with established norms or layout and technical documentation.

6. The land parcels designed for the extraction of useful minerals shall be allocated in accordance with the documents certifying the right to use subsurface. New land parcels may not be allocated to the users of subsurface if the land having been previously damaged as a result of the activities thereof has not been restored in accordance with recovery schemes.

CHAPTER 6

LANDS WITH FACILITIES FOR POWER, COMMUNICATION, TRANSPORT, UTILITY FACILITIES

Article 14. Lands with facilities for power, communication, transport, utility infrastructure

1. The lands allocated for the construction of the facilities for power, communication, transport, utility and respective linear facilities shall be deemed as lands with facilities for power, communication, transport, utility facilities, which shall, as per operational significance — be classified as those of:

(1) power;

(2) communication;

(3) transport;

(4) utility facilities.

2. The special conditions for the use of lands with facilities for power, communication, transport, utility facilities shall be determined as prescribed by law.

3. The sizes of land parcels allocated or acquired for building and maintaining facilities for power, communication, transport, utility facilities shall be determined in accordance with established norms or layout and technical documentation.

4. With the aim of ensuring public safety, creating conditions required for the operation of the facilities, the documents on urban development and land development shall define the zones, the special legal regime on land parcel restrictions, including servitudes. Within the boundaries of these zones, land parcels of owners may not be withdrawn except for the cases when such land parcels are totally removed from economic circulation under the regime determined for the zone concerned as well as in the cases defined by laws. Any activity on land parcels in such zones, contradicting the special legal regime, shall be prohibited.

(Article 14 supplemented by HO-296 of 5 February 2002)

Article 15. Lands with facilities for power

Land parcels allocated for building and maintaining buildings and premises used for the purpose of thermal, nuclear, hydroelectric stations, high-voltage power transmission wires, highway gas pipelines and other energy purposes shall be deemed as lands with facilities for power.

Article 16. Lands with communication facilities

Land parcels allocated for building and maintaining radio-transmission, television facilities, radio-relay and retransmission stations and other facilities for communication purposes, shall be deemed as lands with communication facilities.

Article 17. Lands with transport facilities

1. Land parcels allocated for building and maintaining railway, car, air, pipeline transport facilities — railway stations, railway lines, railways and highways, tunnels and bridges, car stops, airports and other transport facilities — shall be deemed as lands with transport facilities.

2. When allocating land parcels for building and maintaining transport facilities, protection zones shall be defined wherein special regime for land utilisation and application of restrictions thereto shall be specified.

Article 18. Lands with utility facilities

Land parcels allocated for building and maintaining utility facilities, water supply, sewerage, sewage pipes, water regulation dams, purification stations, pump stations, dumps, community and private cemeteries and other facilities, shall be deemed to be lands with utility facilities.

(Article 18 supplemented by HO-28-N of 29 April 2015)

CHAPTER 7

LANDS OF SPECIALLY PROTECTED AREAS

Article 19. Concept and composition of lands of specially protected areas

1. Land parcels of aesthetic, environmental protection, scientific, historical and cultural, leisure, health and other valuable significance, in respect of which special legal regime is defined, shall be considered as lands of specially protected areas. These land parcels may be fully or partially withdrawn, in a prescribed manner, from the use for economic purposes and civil turnover upon the decisions of public administration bodies and local self-government bodies.

2. Lands of specially protected areas shall, as per operational significance thereof, be classified as:

(1) environmental;

(2) designed for health purposes;

(3) designed for leisure;

(4) historical and cultural.

3. The procedure for separation, allocation, use and preservation of lands of specially protected areas shall be established by the Government.

4. The procedure for determination and restrictions on the use of lands of specially protected areas, the legal regime shall be defined by law.

5. Any activity on the lands of specially protected areas, contradicting the operational significance thereof and the legal regime defined, shall be prohibited.

6. Zones shall be specified in specially protected areas where a special legal regime, including servitudes, shall be defined relating to land use and restrictions on land parcels. The land parcels falling within the boundaries of these zones shall not be

withdrawn with the exception of cases where these land parcels are fully removed from economic circulation under a regime prescribed for the zone, as well as in the cases prescribed by laws.

Article 20. Environmental lands

1. Lands of natural monuments, natural reserves, national and dendrological parks, botanic gardens and sanctuaries (except those for hunting) of natural, scientific, aesthetic significance and those for leisure, designed for special protection, shall be considered as environmental lands.

2. Any activity on the environmental lands, other than that related to the maintenance and exploration of natural complexes and facilities, as well as that not provided for by law, shall be prohibited.

Alienation of environmental lands for the purposes contradicting the intended purpose and operational significance thereof, shall be prohibited.

3. The organisations and establishments, which are provided with land parcels under special conditions of use, shall be obliged to install signs on their borders.

Article 21. Lands designed for health purposes

1. Land parcels of therapeutic-healing places and those of sanatoriums having natural, remedial resources (mineral waters, therapeutic muds, etc.), favourable climate and other natural features and conditions, which are used or may be used for the prevention and treatment of diseases, shall be considered as lands designed for health purposes.

2. Sanitary (mining and sanitary) protection zones shall, in accordance with the legislation, be defined for the purpose of ensuring favourable sanitary and environmental protection requirements necessary for organising the prevention and

treatment of diseases of the population in the therapeutic-healing places and territories of sanatoriums.

3. The rights of owners, users within the boundaries of sanitary zones shall not terminate, with the exception of cases provided for by law.

Article 22. Lands designed for recreational purposes

1. Land parcels designed and used for organising the recreation, tourism, physical education and sport activities of the population shall be considered as lands designed for recreation.

2. Land parcels occupied by rest-houses, resorts, facilities for physical education and sports, tourism complexes, fixed and tent accommodations, cottages for fishing and hunting, tourist attractions for children, tourist parks, forest parks, educational trails and tourist routes, marked paths for children's and sports camps and other similar facilities, shall be included in the lands designed for recreation.

3. The parts of land parcels across which the educational trails and tourist routes as well as marked paths pass, shall be separated as servitude upon the consent of the owners, users thereof and shall be used as servitude.

4. Any activity on the lands of recreation, contradicting the intended purpose thereof, shall be prohibited.

Article 23. Historical and cultural lands

1. Land parcels occupied by historical and cultural values, historical environment protection sites, memorial parks, memorial complexes, archaeological and architectural monuments, including premises of worship, historical and cultural reserves and sanctuaries, historical, cultural and archaeological objects, state cemeteries, crypts and other historical and cultural values, shall be considered as historical and cultural lands.

Conservation zones, the borders whereof are demarcated on the site by special signs, shall be created in accordance with legislation for the purpose of protecting the visual, landscape, historical and urban environment of historical and cultural objects. The zones for the use and preservation of land parcels of historical and cultural significance shall be defined by laws and other regulatory legal acts and shall be expressed in the documents on urban development and land development.

2. Any activity on historical and cultural land parcels, contradicting the intended purpose and operational significance thereof, shall be prohibited.

3. ***(point 3 repealed by HO-186-N of 27 November 2006)***

(Article 23 amended by HO-186-N of 27 November 2006, HO-28-N of 29 April 2015)

CHAPTER 8

LANDS OF SPECIAL SIGNIFICANCE

Article 24. Lands of special significance

Lands of defence, frontier and military significance and land parcels allocated for using and maintaining buildings and premises protected by law, shall be considered as lands of special significance.

The procedure for and restrictions on the use of lands of special significance, the protection zones, special regulatory provisions, the procedure for urban development activities thereof shall be established by the Government.

CHAPTER 9

FOREST, AQUATIC AND RESERVE LANDS

Article 25. Forest lands

1. Lands covered with forests, allocated or designed for the preservation of fauna and flora, nature protection, as well as lands not covered by forests but allocated or designed for the needs of forestry, shall be considered as forest lands.

Agricultural soil types, bushes, layers of a forest and other lands aimed at the preservation of lands, may be included in forest lands.

2. The operational significance of forest lands shall be defined by the Forest Code of the Republic of Armenia and the schemes for the use of forest lands (forest use plans).

3. Forest lands shall, as per soil types, be classified as:

(1) forests;

(2) croplands;

(3) meadows;

(4) pasture lands;

(5) bushes;

(6) other lands.

4. Classification of forest lands, as per soil types, shall be defined by and reflected in the scheme for the use of forest lands.

$4^{1.}$ Forest lands may, in the cases provided for and as prescribed by the legislation, be allocated for rent for the purpose of construction of buildings, premises exclusively for the needs of forestry.

5. The procedure for, conditions on the allocation and restrictions on the use of forest lands, the special regime for land use shall be defined by this Code, Forest Code and regulatory legal acts adopted on the basis thereof, as well as shall be set forth in the documents on land development, forest management and urban development.

(Article 25 supplemented by HO-199-N of 4 October 2005)

Article 26. Aquatic lands

1. Areas occupied by water facilities, i.e., rivers, natural and artificial reservoirs and lakes, as well as areas separated for hydro-technical, water economy and other facilities required for the use and preservation of aquatic facilities, shall be considered as aquatic lands.

2. Aquatic lands may be used for the construction and operation of the facilities meeting the demands for drinking water, household, health and other demands of the population, as well as the demands for water economy, agriculture, environmental protection, industry, fishery, energy and other demands on the part of the State and communities.

3. Sanitary protection zones shall be defined, in compliance with the legislation, aimed at the preservation of natural and artificial aquatic facilities requiring special sanitary protection and aimed at the protection of the population from the negative impact of industrial, transportation and other facilities, in respect of which special restrictions on land use shall be imposed and envisaged in the documents on land development and urban development.

4. The procedure for the use of aquatic lands shall be defined by this Code and the Water Code.

Article 27. Reserve lands

1. State owned lands not allocated to the communities, citizens and legal persons under the right of ownership, right to use, as well as land parcels removed — as prescribed by legislation — from the economic circulation as a result of conservation, shall be considered as reserve lands.

2. Reserve lands may include unused lands separated under the documents on urban development and land development, as well as sands, wetlands and unused lands.

3. Alienation of reserve lands and the allocation thereof under the right to use shall be permitted as prescribed by this Code and regulatory legal acts, after making changes in the intended purpose thereof.

CHAPTER 10

MANAGEMENT OF LAND RESOURCES

Article 28. Planning the use of land resources

1. Lands situated in the territory of the Republic of Armenia shall be considered as land resources.

2. Planning of the use of land resources shall be carried out on the basis of social and economic, land development, urban development, environmental protection programmes and other documents for the purpose of determining the long term perspective of territorial development.

Article 29. Land use schemes

(title amended by HO-228-N of 23 June 2011)

1. A land use scheme shall be deemed as a document on land development which shall include distribution of land parcels as per intended purpose, soil type and operational significance, and shall define their legal regime, shall substantiate the directions of efficient use of lands — owned by the State and communities — within the administrative territory of the community.

2. Land use schemes must include requirements on the regulation, by this Code and other legislative acts, of land development issues in respect of the given community.

3. Technical requirements and standards set for land use schemes and procedure for supervision over the implementation of the scheme shall be established by the Government.

4. The land use schemes shall be approved by the Council of Elders of the community as prescribed by legislation.

5. Land use schemes shall be subject to mandatory implementation, irrespective of availability of the right of ownership and other property rights to land parcels.

(Article 29 amended, supplemented, edited by HO-228-N of 23 June 2011)

Article 30. Natural agricultural zoning of and norm setting for lands

1. Natural agricultural zoning of lands shall be deemed to be the classification thereof based on the natural and climatic conditions, qualitative properties of the land and consideration of agro-biological requirements of agricultural plants.

Norm setting for lands shall be deemed to be the complex of rules for the use of land parcels, irrespective of the right of ownership and other property rights to lands.

2. In the territory of the Republic of Armenia agricultural lands shall be used and preserved in compliance with the natural agricultural zoning of lands approved by the Government.

3. The requirements of regulatory acts aimed at regulating natural agricultural zoning of and norm setting for lands shall be deemed as restrictions defined by law in respect of land parcels and shall be included in the conditions for the allocation of lands to citizens and legal persons.

4. The public administration bodies and local self-government bodies shall, in course of determining and approving the limits on and quantity (maximum and minimum) of land parcels falling under the ownership and use of citizens and legal persons, take into consideration the recommendations relating to the natural, economic, environmental protection and social conditions stipulated by the regulatory legal acts on natural agricultural zoning of and norm setting for lands.

Article 31. Land development

1. Land development shall be deemed to be a complex of state measures aimed at regulating land relations, managing land resources, maintaining State Unified Cadastre for Real Estate, organising land use and land preservation, land monitoring, elaborating regional and intraeconomic land development programmes (documents).

2. Land development shall ensure:

(1) planning and organisation of efficient land use and land preservation, irrespective of the entities of ownership and economic management methods;

(2) elaboration of national and regional programmes for the preservation of agricultural lands;

(3) fixation of land parcels on the site, preparation of documents on land layouts and land allocation;

(4) elaboration of other plans on national, regional, community, intercommunity, intra- economic land development, land use and land preservation;

(5) elaboration of national and regional programmes, working plans for the restoration of damaged lands, protection of land layers from water and wind erosion, desertification, sludging, sliding, inundation, swamping, drying, solidification, salinisation, protection from contamination due to industrial and household waste and radioactive and chemical substances, improvement of agricultural lands, development of new lands, land preservation and increasing the fertility of lands;

(6) justification for the distribution and demarcation of specially protected areas;

(7) description, fixation and change of administrative boundaries of Marzes and communities as well as boundaries of land parcels of land owners and users;

(8) carrying out topographic, geodesic, cartographic, land, agrochemical, geobiological, historical, cultural and other research activities in relation to land management;

(9) state registration, inventory of land fund and identification of lands not used or used ineffectively or those used inconsistent with the intended purpose thereof;

(10) drawing up cadastral and thematic maps and atlases relating to the state and use of land resources;

(11) maintaining the State Unified Cadastre for Real Estate;

(12) land monitoring;

(13) implementation of measures aimed at forming new land parcels, land merger and division, regulation of existing land parcels.

3. Land development shall be carried out upon decisions of public administration bodies and local self-government bodies and at the initiative of the owners and users of land parcels.

Land development of state and community significance shall respectively be financed from the state and community budgets.

4. Land development shall be carried out on the basis of scientifically justified, discussed and approved land development documents.

5. The requirements defined by land development plans shall be binding for the owners and users of land parcels, after being approved, in a manner prescribed, by public administration bodies and local self-government bodies.

Plans aimed at merging, dividing, improving, preserving and using separate areas and land parcels of intra-economic land development shall be effectively implemented at the initiative and at the expense of the owners and users thereof.

6. Land development activities shall be carried out by authorised bodies as well as by persons holding the corresponding licence.

7. The procedure for organising land development shall be established by the Government.

Article 32. Land monitoring

1. Land monitoring shall be deemed as a system of observations, surveys and investigations of the state and price of the land. It also includes the monitoring of the property located on lands.

2. All the lands of the Republic of Armenia shall be subject to monitoring.

Land monitoring shall be carried out in the form of general and selective observations for the time periods defined.

3. The tasks of land monitoring shall be as follows:

(1) timely identification of changes in the state of lands, forecasts of those changes and development of recommendations for the prevention and elimination of the consequences of negative processes;

(2) provision of information required for maintaining the State Unified Cadastre for Real Estate, efficient land use, land development and for state supervision over land use and land preservation.

4. Land monitoring may be of national or regional nature depending on the objectives of the observations and areas included therein. Land monitoring shall be carried out in accordance with national and regional programmes.

5. The procedure for carrying out land monitoring shall be established by the Government.

Article 33. State Unified Cadastre for Real Estate

1. The State Unified Cadastre for Real Estate shall be considered as a system of registration of land parcels and immovable property located thereon, state registration of their natural, economic and legal status, the distribution and sizes thereof, qualitative characteristics, legal regime, state registration of the right of ownership and other property rights thereto and restrictions thereon as well as — that of authentic information for the evaluation of real estate.

2. The information from the State Unified Cadastre for Real Estate shall be taken into account in course of planning of land preservation and land use, allocation of land parcels, alienation of lands for public or state needs, making land transactions, determining charges for lands, exercising land development, assessing economic activities for land use and land preservation as well as in course of implementation of other measures.

3. The State Unified Cadastre for Real Estate shall be deemed as a single national system.

4. Maintenance of the State Unified Cadastre for Real Estate shall include the following:

(1) state registration of land parcels and immovable property located thereon, and cartography;

(2) assessment of land parcels and immovable property located thereon;

(3) state registration of the right of ownership and other property rights to and restrictions on land parcels, including servitudes;

(4) creation and management of a unified database on real estate.

5. The procedure for maintaining the State Unified Cadastre for Real Estate shall be defined by laws and other regulatory legal acts.

(Article 33 amended by HO-186-N of 27 November 2006)

Article 34. State registration of land parcels and property located thereon

1. Land parcels and immovable property (buildings and premises) located thereon shall, irrespective of the form of ownership, be subject to state registration.

State registration shall be carried out for the purpose of obtaining complete information on the quality and quantity, intended purpose of land parcels and immovable property located thereon, soil types and operational significance, entities of land ownership and land use.

For the purpose of regular clarification and registration of state registration data the following shall be envisaged:

(1) initial registration;

(2) current registration.

2. State registration shall be carried out continuously on the basis of primary data of initial registration reflecting legal, qualitative and quantitative changes having been made, during the year concerned, in the text documents and graphical documents of registration.

3. The annual report on the land fund of the Republic of Armenia (balance of land resources) shall be drawn up, as of 1st July of each year, as a result of state registration of land parcels, which shall be approved and published by the Government.

The procedure for organising and carrying out state registration shall be established by the Government.

Article 35. Land assessment

1. Land assessment shall be deemed to be a process of defining cadastral price having regard to the fertility of lands, physical and other qualitative characteristics, natural and economic conditions thereof, as well as to the zoning, regionalisation and intended purpose of land parcels.

Data obtained from land monitoring, the State Unified Cadastre for Real Estate and from other surveys and observations on the state of a land, shall be used during land assessment.

2. Land assessment shall be carried out for the purpose of implementing different functions in respect of a land at cadastral and/or market prices.

3. The data on cadastral prices of land parcels shall be used for determining land tax and land charges and for performing other functions in respect of a land.

4. Land assessment shall be carried out on the basis of laws and other regulatory legal acts.

CHAPTER 11

LAND PRESERVATION

Article 36. Objectives and tasks of land preservation

1. Land preservation shall be deemed as a system of environmental protection, economical, organisational, legal and other measures aimed at the targeted and efficient land use, observation of restrictions on land use, unjustified removal of lands from agricultural circulation, protection from water and wind erosion, swamping and salinisation as well as increase and improvement of the fertility of land.

2. The tasks of land preservation shall be as follows:

(1) maintenance, improvement and efficient use of fertility of lands and other useful features thereof;

(2) restoration of damaged lands and the inclusion thereof in the economic circulation;

(3) removal, preservation and use of fertile layers of lands in course of implementation of activities related to damaged lands;

(4) protection of lands from water and wind erosion, washing out, swamping, double salinisation, consolidation, contamination by industrial and household waste and by chemical and radioactive substances, landslide, desertification as well as from other influences causing land degradation;

(5) preservation of agricultural and other lands from infestation caused by bacteria-parasitic and quarantine pests, undesirable plants, bushes and from other types of land degradation;

(6) implementation of environmental protection measures as well as those aimed at using and preserving natural monuments, sanctuaries and green zones;

(7) stipulation of special regulatory provisions for land use and implementation of measures therefore.

Land preservation shall be carried out in accordance with national and regional programmes.

3. Owners and users of land parcels shall be obliged to implement land preservation measures defined by sub-points 1-5 of point 2 of this Article.

4. For the purpose of preventing land degradation, restoring the fertility thereof, the temporary removal of lands from economic circulation, as prescribed by the Government, shall be permitted.

5. In course of implementation of construction activities and those of useful mineral extraction the fertile layer of land shall be removed and used for the improvement of less efficient lands. Sale of fertile layer of land shall be prohibited.

The procedure for the use of the fertile layer of land, the requirements for determination of the norms for removal and for preservation and use of the removed fertile layer shall be established by the Government.

5.1. Ground is the layer of soil covering the earth surface which does not contain useful minerals and fertile layer of land.

5.2. The procedure for ground extraction shall be established by the Government of the Republic of Armenia.

5.3. The procedure for one-time use of various lands for the purpose of survey of useful minerals shall be established upon the decision of the Government of the Republic of Armenia.

6. Land preservation and efficient land use shall be carried out on the basis of national and regional programmes on land development and environmental protection.

7. For the purpose of protecting human health and natural environment, the Government shall define the general requirements for preserving the land from contamination, establish the list of harmful substances contaminating the land, the norms for admissible limits of harmful substances contaminating the land and the procedure for assessment of the level of contamination of lands.

8. Measures necessary for land preservation shall be implemented by the land owners and land users at the expense thereof.

The activities for state preservation of lands carried out in compliance with national and regional programmes shall be financed form the state (community) budgets.

9. For the purpose of implementing measures aimed at restoring damaged lands, the Government shall define the requirements for re–cultivation of lands and the classification of damaged lands according to the areas of re–cultivation.

(Article 36 supplemented, edited by HO-57-N of 1 March 2017, supplemented by HO-360-N of 13 June 2018)

Article 37. Urban development, environmental protection, sanitary-hygienic and other requirements set for the design and exploitation of buildings and premises

(title supplemented by HO-228-N of 23 June 2011)

1. Measures aimed at land preservation, urban development, environmental protection, sanitary-hygienic and other special requirements (norms, rules, standards) shall be envisaged and implemented in course of designing, exploiting and reconstructing new buildings and premises as well as introducing new technologies.

2. The negative impact on the state of land and the efficiency of envisaged measures shall be evaluated on the basis of urban development, environmental protection, sanitary-hygienic and other expert examinations.

(Article 37 supplemented and amended by HO-228-N of 23 June 2011)

Article 38. Use of lands contaminated by anthropogenic, epidemic and other negative phenomena

1. Land parcels contaminated by anthropogenic, epidemic and other negative phenomena, which do not ensure the output of products meeting the requirements (norms, rules, standards) set, shall be removed from agricultural circulation and may be transferred to the category of lands of the reserve fund for conservation. Output and sale of agricultural products from such lands shall be prohibited.

2. The Government shall define the procedures for the use of lands contaminated by anthropogenic, epidemic and other negative phenomena, establishment of protection zones and maintenance of dwelling houses, production and social-cultural facilities in these lands as well as procedures for carrying out ameliorative, cultural and technical activities therein with due consideration to the norms on admissible limits for radiation, chemical and other negative effects.

CHAPTER 12

SUPERVISION OVER THE IMPLEMENTATION OF LAND LEGISLATION, LAND USE AND LAND PRESERVATION

Article 39. Tasks of state supervision over land use and land preservation

The main tasks of supervision over the implementation of land legislation, land use and land preservation, use of land fund as per intended purpose shall be to ensure the compliance with land legislation and special requirements (norms, rules, standards) set, as well as implementation of measures for the efficient use and preservation of lands by public administration bodies and local self-government bodies, the officials thereof, citizens and legal persons.

Article 40. Bodies exercising supervision over land use and land preservation

1. Supervision over the implementation of land legislation, land use and land preservation shall be directly exercised by relevant state authorised body, territorial administration bodies and local self-government bodies. The procedure for land use and land protection shall be defined by law.

(Article 40 amended by HO-199-N of 4 October 2005)

Article 41. Competences of the state authorised body in the field of exercising supervision over land use and land preservation

1. The state authorised body shall exercise supervision over:

(1) the use of land fund as per intended purpose;

(2) the compliance with the requirements of land legislation;

(3) the activities of territorial administration bodies carried out in the field of land relations;

(4) development of new lands.

2. In the cases and under the procedure provided for by law the state authorised body may give binding instructions, impose administrative penalties and report to the competent authorities on subjecting to liability — provided for by law — the entities violating the requirements of land legislation.

Article 42. Competences of the Marzpet (Regional Governor) in the field of supervision over land use and land preservation

1. The Marzpet shall exercise supervision over:

(1) the activities of the heads of communities in the field of land relations;

(2) the implementation of schemes, general layouts for the use of community lands;

(3) the allocation and withdrawal of lands falling under the ownership of the State and communities, levy of charges and taxes for land parcels, the implementation of measures on land preservation;

(4) the implementation of national and regional programmes within the territory of the Marz;

(5) the intended use of land fund within the administrative territory of the Marz and compliance with the requirements of land legislation by land users;

(6) the protection of boundary signs of the Marz.

2. ***(part repealed by HO-228-N of 23 June 2011)***

(Article 42 supplemented by HO-199-N of 4 October 2005, amended by HO-228-N of 23 June 2011)

Article 43. Competences of the head of community in the field of supervision over land use and land preservation

1. The head of community shall exercise supervision over:

(1) the compliance with the requirements of land legislation by land users;

(2) the use of land parcels as per intended purpose and operational significance;

(3) the protection of boundaries for land use and boundary signs;

(4) the implementation of measures on land preservation;

(5) the removal, protection and use of fertile layers of land during the implementation of activities related to damaged lands;

2. The head of community shall prevent, suspend and eliminate illegal land use within the administrative boundaries of a community and, in the cases provided for and as prescribed by law, shall impose administrative penalties on entities violating the requirements of land legislation as well as report to the competent authorities on subjecting to liability — provided for by law — the persons violating the requirements of land legislation.

SPECIAL PART

CHAPTER 13

RIGHTS OF CITIZENS AND LEGAL PERSONS TO LAND PARCELS

Article 44. Right of ownership and other property rights of citizens and legal persons over land parcels

1. The right of ownership of citizens and legal persons over land parcels shall be deemed to be the right to posses, use and dispose of the land parcels, at their discretion, in conformity with the restrictions and other conditions defined by law.

2. The right of ownership of citizens and legal persons over land parcels shall arise on the basis of transactions related to privatisation, inheritance, purchase and sale, donation of state and community lands and other land-related transactions as well as on the basis of legal facts.

Article 45. The right of common ownership and the right of common use to land parcels

1. A land parcel owned, used by two or several of persons shall belong thereto under the right of common ownership and the right of common use respectively.

2. The right of common ownership in respect of a land parcel shall arise upon transferring the land parcel — under the right of ownership — to two or several persons, which may not be divided without changing the intended purpose thereof or may not be divided by virtue of law, as well as upon voluntarily merging the land parcels into one land parcel by the owners thereof — based on a contract.

The laws and other legal acts, documents on land development and urban development shall define the minimum sizes of land parcels below which separation of land parcels from common ownership (inseparable land parcels — by virtue of law) shall not be permitted.

3. Reconstruction of the buildings, premises of one of the owners shall not cause an increase of the portion thereof in the common land parcel, without the consent of the other owners.

4. The disposition, possession and use of a land parcel falling under common ownership shall be carried out as prescribed by the Civil Code.

Article 46. Allocating a land parcel for use

The owner shall allocate the land parcel for use under the right to conduct site development activity, gratuitous (permanent) use or lease.

The allocation of the land parcels, considered as state or community ownership, for the purpose of site development and under the right to lease or right to gratuitous (permanent) use shall be prohibited, except for the cases prescribed by Article 63.1 of this Code.

(Article 46 edited by HO-199-N of 4 October 2005, HO-245-N of 23 June 2011, supplemented by HO-27-N of 27 February 2012)

Article 47. Right to gratuitous (permanent) use of land parcels

1. Gratuitous (permanent) use of a land parcel shall be considered as the possession and use of the land parcel with unlimited allocation thereof by the owner to another person under the right to use.

2. In the cases provided for by point 1 of Article 75 of this Code, the users of land parcels allocated under the right to gratuitous (permanent) use may, upon the consent of public administration bodies and local self-government bodies, transfer the land parcels for lease as well as voluntarily abandon them, unless otherwise provided for by contract.

3. Legal relations pertaining to the right to gratuitous use shall be regulated by the Civil Code.

(Article 47 supplemented by HO-199-N of 4 October 2005, edited by HO-245-N of 23 June 2011)

Article 48. Right to lease of a land parcel

1. The right to lease of a land parcel shall be deemed to be the right to temporary use of the land parcel for a payment under the conditions of the lease contract.

The owner of a land parcel may grant the leaseholder the right to sublease and pledge of the land parcel.

The citizens and legal persons having been provided, under the conditions of lease, with land parcels by public administration bodies and local-self government bodies, may — upon the consent of these bodies — exchange their land parcels or voluntarily abandon them.

2. Land parcels falling under the ownership of the State and communities, legal persons and citizens may be transferred for lease.

The right to lease of a leased land parcel may, upon the consent of the lessor, be deposited into the statutory capital of legal persons in conformity with the statutes thereof, as well as may be transferred for sublease.

3. The time period of lease of a land parcel falling under the ownership of the State and communities may not exceed 99 years, except for the lands of agricultural significance the time period for the lease whereof is defined up to 25 years, moreover, the lessor shall enjoy the right to preference when concluding a lease contract again under previous or other equivalent conditions or when acquiring the land parcel in case of alienation thereof.

4. The right to lease of land parcels owned by the State and communities shall be granted upon tender by way of public bidding.

The Government shall define the cases of allocating land parcels without a tender.

5. When concluding the lease contract again the right to preference shall, within the time period for lease, be transferred by way of succession, unless otherwise provided for by law or contract.

6. In case of a change of the lessor, the lease contract may be terminated only in the cases and under the procedure prescribed by the Civil Code.

Article 48[1]. Right to conduct site development activity on land parcel

1. A person may, in a land parcel owned by another person, acquire a right to conduct site development activity under a contract, in conformity with the norms and rules on urban development, as well as construct buildings and premises, reconstruct them or bring them down, and possess and use that property during the period of site development — in a prescribed manner — by observing the requirements relating to the intended purpose of the land parcel.

2. A person entitled to use a land parcel under the right to conduct site development activity, may dispose of that right, *i.e.* transfer it to another person, freely alienate, pledge it, as well as carry out other transactions in respect of the right to conduct site development activity.

The right to conduct site development activity may be transferred to another person by way of comprehensive succession.

3. The buildings and premises constructed or created — under the right to conduct site development activity — in a land parcel owned by another person, shall fall under the ownership of the of the owner of the land parcel, unless otherwise provided for by law.

4. The right to conduct site development activity shall be granted for the time period prescribed by the contract and may not exceed 99 years, unless a shorter time period is prescribed by law.

5. The right to conduct site development activity shall be subject to state registration, as prescribed by the Law "On state registration of rights to property".

6. Lands falling under the ownership of the State or communities shall be allocated under the right to conduct site development activity only from land parcels prescribed in Article 60 of this Code.

7. Lands falling under the ownership of the State or communities shall be allocated under the right to conduct site development activity upon tender, under the procedure provided for by Articles 76-80 of this Code, unless otherwise provided for by this Code or other laws.

8. The amount of annual payment for the right to conduct site development activity on lands falling under the ownership of the State or communities may not be less than the annual rate of land tax.

(Article 48[1] supplemented by HO-199-N of 4 October 2005, edited, supplemented by HO-245-N of 23 June 2011)

Article 49. Restrictions on rights to land parcel

1. Rights to land parcels allocated from lands falling under the ownership of the State or communities or those acquired on other grounds, may be restricted:

(1) under the prohibition to sell them to certain persons or otherwise alienate them, or under an obligation to alienate them to certain persons at any time or within prescribed time limits;

(2) under the prohibition on transferring them to lease or sublease;

(3) under the right to preference to buy them at the announced price — in case of sale;

(4) under the condition to transfer them (for agricultural lands) as inheritance to certain heirs;

(5) under the condition to exclude the right to commence and complete the site development or the right to conduct site development activity or construction of a land parcel under a plan — agreed in a manner prescribed, and within certain time limits;

(6) under the requirement to maintain the geodesic points existing in the land parcel;

(7) under the prohibition to change the exterior of a real estate, reconstruct it, bring down buildings or premises without reaching an agreement in a prescribed manner;

(8) under the condition to construct, repair or maintain a road or a part thereof;

(9) under the prohibition on individual types of activities;

(10) under the prohibition to change the intended use of a land parcel;

(11) under the condition to observe the environmental protection requirements or perform certain works, including the protection of the fauna, land layer, rare plants, the nature, historical and cultural monuments, archaeological objects;

(12) under the condition to grant other persons the right to hunting, fishing, collecting wild plants in the land parcel thereof within time limits and in a manner prescribed;

(13) under the condition to protect wild animals, the natural environment and maintain the channels of migration;

(14) under other obligations, restrictions or conditions.

2. Restrictions on the rights to a land parcel shall be directly prescribed by law, other legal acts, contracts or through judicial procedure.

(Article 49 amended by HO-199-N of 4 October 2005)

Article 50. Servitude of the land parcel

1. Servitude of a land parcel shall be deemed to be the right to limited use of land parcels of one or several owners.

Servitude may be defined upon the agreement reached by the owners of land parcels or by a judicial act.

2. The owner of a land parcel shall have the right to require, including through judicial procedure, to be granted servitude for the preservation and maintenance of the land parcel.

3. A land parcel may be encumbered with the following servitudes:

(1) for passing across or travelling through the land parcel;

(2) for the installation, use and repair of electric transmission, communication lines, water and gas pipelines across the land parcel;

(3) for carrying out drainage works in the land for the purpose of improving the land quality of another land parcel;

(4) for taking water from the land parcel;

(5) for having the cattle pass across the land parcel, for haying, grazing the cattle — within the time limits complying with local conditions and traditions;

(6) for carrying out both private and necessary public investigations, research and other activities;

(7) for approaching without hindrance the geodesic points, historical, cultural and archaeological monuments situated within the boundaries of the land parcel;

(8) for supporting the buildings, premises of his or her land parcel on the boundary land parcel or buildings, premises therein, or for hanging them over the neighbouring land parcel of a certain altitude;

(9) for limiting the height of buildings, premises in the boundary land parcel;

(10) for creating forest barriers or other environmental protection objects in the boundary land parcel;

(11) other servitudes in the absence whereof meeting the requirements necessary for using the land parcel with its intended purpose proves to be impossible.

4. Servitude may be established on a land parcel under any right, and may be temporary and/or permanent.

5. Servitude must encumber the land parcel as little as possible.

The owner of a land parcel encumbered with servitude shall have the right to require payment from those persons to the benefit whereof the servitude was established, unless otherwise provided for by legislation.

6. Servitudes shall be subject to state registration.

7. Servitude shall be maintained when transferring the land parcel from one person to another.

Upon the request of the owner of a land parcel encumbered with servitude, the servitude may be terminated on the basis of elimination of the grounds therefore or a change in the intended purpose of the land parcel.

Where as a result of being encumbered with servitude the land parcel may not be used in accordance with the intended purpose and operational significance thereof, the owner shall have the right to require, under judicial procedure, to terminate the servitude or to change the intended purpose.

Article 51. Grounds for arising of the rights to land parcels

Rights of citizens and legal persons to land parcels, as well as restrictions on the rights to land use shall arise:

(1) from the decisions of public administration bodies and local self-government bodies and from contracts concluded therewith;

(2) from contracts and other transactions signed between citizens and legal persons in respect of the land parcel;

(3) by virtue of acquisitive prescription;

(4) by judicial acts prescribing the right of ownership over a land parcel, except for the cases generating the right of ownership over land parcels falling under the ownership of the State and communities;

(5) from other activities of the citizens and legal persons, as well as from the events by which the law or other legal act conditions the arising of rights to land parcels and mandatory conditions for the use thereof.

(Article 51 supplemented by HO-245-N of 23 June 2011)

Article 52. Documents verifying the rights to land parcels

1. Documents provided for by the Civil Code, this Law and the Law of the Republic of Armenia "On state registration of rights to property" shall be considered as documents verifying the rights to land parcels.

2. In the event of carrying out transactions on alienation of real estate, previously provided documents on the rights to land parcels shall be delivered to the state body maintaining the unified cadastre for real estate.

3. Rights deriving from the documents on the rights to land parcels provided by public administration bodies and local self-government bodies shall be considered as valid after state registration in a prescribed manner and shall be applicable throughout the Republic of Armenia.

4. Documents on the rights to land parcels, having been issued, acquired — in a prescribed manner — before 6 May 1999, shall have legal force, shall not be subject to re-registration, and shall serve as a ground for carrying out transactions on real estate.

Article 53. State registration of the rights to land parcels

1. The rights of the State, communities, citizens and legal persons to land parcels, *i.e.* the right of ownership, right to use, pledge, hypothec, servitudes, as well as — in the cases provided for by law — other property rights, the arising, transfer, amendment, termination thereof shall be subject to state registration.

2. The State shall not guarantee the protection and inviolability of unregistered rights to land parcels.

3. The procedure for state registration of the rights to land parcels and that for the rejection thereof shall be established by the Law of the Republic of Armenia “On state registration of the rights to property”.

Article 54. The time of arising of the rights to land parcels

The right of ownership of the citizens and legal persons over land parcels, the right to use, pledge, hypothec, servitudes, as well as — in the cases provided for by law — other property rights shall arise from the moment of state registration.

CHAPTER 14

OWNERSHIP OF THE STATE AND COMMUNITIES OVER LAND

Article 55. Lands falling under the ownership of the State

Lands not owned by the citizens, legal persons or communities shall fall under the ownership of the State.

The State may buy land parcels from the communities, citizens and legal persons under the right of ownership.

Article 56. Lands falling under the ownership of communities

(title amended by HO-170-N of 19 October 2016)

1. Lands situated within the borderlines of a community shall fall under the ownership of this community, except for the lands owned by the State, citizens, legal persons and other entities of ownership.

Lands falling under the ownership of the State and situated within the administrative boundaries of a community shall, within four years after the entry into force of this Code, and upon the decision of the Government, be separated and, based on the layout of the land parcel, be transferred to the communities under the gratuitous right of ownership.

Land parcels situated beyond the boundaries of a community and transferred to the ownership of the community or acquired by the community may also fall under the ownership of the community.

2. For the purpose of development of communities, the State may provide land parcels to the communities — under the gratuitous right of ownership — from the lands falling under the ownership thereof.

3. In case where the owners abandon their land parcels situated within the administrative boundaries of the community and falling under the ownership of the citizens, legal persons, or in case where the right to a land parcel terminates on the grounds referred to in Article 102 of this Code, these land parcels shall be transferred to the ownership of the community as prescribed by legislation; moreover, in the case provided for by point 8.1 of part 1 of Article 102 of this Code, the land parcel shall be transferred to the ownership of the community, unless it has been alienated to third parties under compulsory procedure and the cost of the land has been compensated to the owner.

4. ***(point 4 repealed by HO-186-N of 27 November 2006)***

5. Lands falling under the ownership of community shall be managed and disposed by the head of community and the Council of Elders thereof as prescribed by the Civil Code, this Code, other laws and regulatory legal acts.

6. The merger, exchange and reallocation of community lands between different communities shall be carried out as prescribed by law.

7. Local self-government bodies shall regulate land relations within their competences.

The acts of local self-government bodies, deriving from the Civil Code, this Code and other laws and regulating land relations, shall be applicable throughout the community and shall be binding for the owners, users of land parcels.

8. Land parcels falling under the ownership of the communities may, on the basis of the decisions of local self-government bodies, be sold or provided to citizens and legal persons under the right of ownership or right to use as prescribed by the Civil Code and this Code.

(Article 56 amended by HO-43-N of 3 March 2004, HO-186-N of 27 November 2006, HO-170-N of 19 October 2016, supplemented by HO-73-N of 16 January 2018)

Article 57. Allocation of land parcels falling under the ownership of the State and communities

1. Land parcels falling under the ownership of the State and communities shall be allocated under the right of ownership, right to conduct site development activity or use.

Land parcels falling under the ownership of the State or communities may be allocated to other persons for the purpose of site development only under the right of ownership, except for the land parcels — referred to in this Code — falling under the ownership of the State and communities the allocation whereof under the right of ownership is prohibited.

1.1. In case of legalisation and disposition of unauthorised garages, kiosks, boutiques and other similar unauthorised premises situated in land parcels falling under the ownership of the State or communities, the relevant land parcel occupied thereby and required for maintenance and preservation shall be allocated under the right of ownership or lease under the procedure established by the Government of the Republic of Armenia.

2. Local self-government bodies shall allocate land parcels in accordance with the general layouts, zoning plans for urban development and land use schemes which are approved as prescribed by Article 3 of this Code.

3. ***(part repealed by HO-228-N of 23 June 2011)***

4. ***(part repealed by HO-228-N of 23 June 2011)***

5. Land parcels allocated during a year shall, following the state registration in a prescribed manner, be reflected in annual land reports which shall be submitted — in a prescribed manner — by the state body carrying out state registration of land parcels to the approval of the Government.

The land parcel, before being granted — in a prescribed manner — state registration of the property right to a land parcel in accordance with this Part, may be used by the owner or user thereof with its previous intended purpose or operational significance.

6. ***(part repealed by HO-228-N of 23 June 2011)***

7. The procedure for the allocation of lands falling under the ownership of the State and communities shall be established by the Government.

(Article 57 supplemented by HO-199-N of 4 October 2005, amended by HO-9-N of 26 December 2008, edited, amended and supplemented by HO-228-N of 23 June 2011, edited and supplemented by HO-245-N of 23 June 2011)

Article 58. Grounds for rejection of allocation of land parcels and the appeal against them

1. Applications for the allocation of land parcels to citizens and legal persons may be rejected by public administration bodies and local self-government bodies, if:

(1) the purpose of using a land parcel, indicated in the application, does not correspond to the documents on urban development and land development;

(2) the allocation of the land parcel may violate the rights and interests of other persons, protected by law.

Applications for the allocation of land parcels with the aim of expanding existing facilities may be rejected also in the case where the land parcel constituting the subject matter of the application may be allocated as a separate property unit through public bidding, as well as where as a result of allocation of the land parcel arises the need for establishing an additional servitude.

2. Applications for the allocation of land parcels may be rejected also on the grounds prescribed by laws and other regulatory legal acts.

3. Decisions of public administration bodies and local self-government bodies on rejecting applications for the allocation of land parcels may be appealed against in court.

4. Violation of the prescribed time limits for examining an application on allocation of a land parcel shall be considered as a rejection of the application.

5. Judicial acts shall serve as a ground for formulating rights to land parcels.

(Article 58 amended by HO-245-N of 23 June 2011)

Article 59. Defining the borders of the land parcel on the site. The layout of the land parcel

1. The layout of a land parcel shall be deemed as a topographic drawing (map) drawn in a prescribed scale for use, where, within the boundaries of the given land parcel, at the time of the last land surveying and in accordance with the last land development plan, the state and boundaries of the land parcel are depicted.

2. For the purpose of allocating a land parcel, before taking a decision on the allocation thereof, the boundaries of the land parcel shall be initially determined on the site and on the map by local self-government bodies. Where lands falling under the ownership of the State or communities are alienated or allocated for use, the heads of communities shall approve the layouts of land parcels situated within the administrative boundaries of the communities.

3. The layout and description of a land parcel, installation of boundaries shall be carried out at the expense of the recipient of the land parcel. The layout and description of a land parcel shall be drawn up and the borders thereof shall be fixed on the site by the state authorised body or by individual entrepreneurs possessing a licence on conducting land development activities, or by legal persons.

The approved layout of a land parcel shall form an inseparable part of the documents certifying the rights to the land parcel.

The original copies of the layouts of land parcels shall be kept with the bodies allocating land parcels and in the State Unified Cadastre for Real Estate, wherefrom carbon copies shall be provided in a prescribed manner.

4. The borders of the alienated part of the land parcel shall be determined as prescribed by this Article.

(Article 59 supplemented by HO-199-N of 4 October 2005, amended by HO-9-N of 26 December 2008, HO-228-N of 23 June 2011)

Article 60. Lands not transferred to citizens and legal persons under the right of ownership

The transfer of land parcels, falling under the ownership of the State and communities, to citizens and legal persons under the right of ownership shall be prohibited, where they:

(1) constitute objects of historical and cultural values, with the exception of land parcels necessary for the site development and maintenance of churches and premises owned by the church, having been transferred and being transferred to the Armenian Holy Apostolic Church (Mother See of Holy Etchmiadzin) under the right of ownership;

(2) constitute state natural reserves, state natural sanctuaries, natural monuments, national parks, dendrological parks, botanic gardens, as well as territories designed for these purposes — out of specially protected areas of nature;

(3) constitute therapeutic-healing places within the boundaries of sanitary protection areas protected by law, the list whereof shall be defined by the Government;

(4) are occupied with forests falling under the ownership of the State;

(5) constitute lands of aquatic facilities included in state ameliorative systems or in the water fund, the list whereof shall be defined by the Government;

(6) constitute lands of common use in residential areas (squares, streets, roads, river banks, boulevards, parks, gardens, beaches and other territories of common use);

(7) constitute sites for useful minerals, recorded and registered by the State;

(8) are subject to radioactive and chemical pollution, biogenic contamination;

(9) are allocated to state scientific research organisations (educational, selection, etc.) under the list defined by the Government and prior to the liquidation thereof in a manner prescribed;

(10) are occupied by common use pastures, cattle passages, roads, natural waters, springs beyond the administrative boundaries of the community, and other facilities defined by the decisions of local self-government bodies;

(11) constitute lands of aquatic facilities and riparian layers of bases, those of layers separated for automobile roads, railways of common use as well as for pipeline and other means of transport, those of electric transmission lines, highway irrigation and water disposal systems, gas pipelines, canals, as well as lands separated (reserved) for the prospective development thereof;

(12) are considered as disputable territories until settlement of disputes;

(13) constitute lands of special significance, state or community cemeteries, except for cases provided for by law.

Other land parcels not transferred to the ownership of citizens and legal persons may be prescribed by law.

The peculiarities of site development on lands defined by this Article may be prescribed by law and other legal acts.

The restrictions provided for by this Article shall not extend to the cases of transferring land parcels — falling under the ownership of the State — to the communities.

(Article 60 supplemented, amended by HO-296 of 5 February 2002, supplemented by HO-199-N of 4 October 2005, edited by HO-245-N of 23 June 2011, supplemented by HO-325-N of 8 December 2011, amended by HO-28-N of 29 April 2015)

CHAPTER 15

THE ALIENATION OF LAND PARCELS FALLING UNDER THE OWNERSHIP OF THE STATE AND COMMUNITIES

Article 61. Authorised bodies exercising the privatisation and alienation of land parcels (including land parcels undergone site development) falling under the ownership of the State and communities

(title amended by HO-300-N of 23 March 2018)

The privatisation and alienation of land parcels (including land parcels undergone site development) falling under the ownership of the State and communities shall be exercised:

(1) within the administrative boundaries of the communities — by the heads of communities;

(2) beyond the administrative boundaries of the communities — by Marzpets;

(3) in the event of privatisation of legal persons, alienation of land parcels undergone site development (including land parcels not undergone site development and separated as a result of optimisation of land parcels undergone site development, except for the land parcels included within the administrative boundaries of the city of Yerevan) — by the State Property Management Committee provided for by the Law of the Republic of Armenia "On state property management", as prescribed by this Code and the legislation of the Republic of Armenia on alienation.

(Article 61 amended by HO-9-N of 26 December 2008, supplemented, edited by HO-300-N of 23 March 2018)

Article 62. General conditions for privatisation of land parcels

1. Privatisation of land parcels shall be deemed to be the allocation of land parcels — from the lands falling under the ownership of the State and communities — to citizens and legal persons under the right of ownership.

2. Land parcels falling under the ownership of the State and communities and disposed of by citizens and legal persons under the right to use (until the expiry of the time period thereof) may not be alienated to another person, unless the contract has been rescinded in a prescribed manner.

3. Land parcels may be privatised by the owner(s) of the building or premise located thereon.

4. If the State or community continues to hold a portion in the building or premise (including buildings built therein and attached thereto), the land parcel shall not be subject to privatisation, unless otherwise provided for by this Code and other laws.

5. The boundaries of land parcel may, in a prescribed manner, be demarcated on the site with border signs — upon the desire and at the expense of the owner or user thereof, except for agricultural lands, those adjoining house and gardening lands, the procedure for fixing the borders whereof shall be established by the state authorised body.

6. The land parcel falling under the ownership of more than one person, occupied by separate facilities and demarcated by the territorial borders, may be sold or transferred to ownership under the right to common ownership, provided that the obligations of all those having filed an application regarding the observance of the regime on common ownership in respect of the land parcel are included in the contract, and if they have agreed on their portions regarding their right to the land parcel and have formulated their agreement by contract.

7. Territories of land parcels undergoing privatisation must be adjusted so as to rule out to the maximum extent the need for establishing servitudes.

8. Riparian layer latitude of border rivers and basins of the Republic of Armenia, not subject to privatisation, shall be defined by the Law of the Republic of Armenia "On state border of the Republic of Armenia" and other laws.

9. The sale of land parcels occupied by the State as well as by community budgetary institutions and state institutions shall be prohibited until the liquidation thereof in a prescribed manner.

10. The privatisation of land parcels of production facilities, which must be removed from the residential borderlines and transferred to other places under environmental protection and social programmes, shall be prohibited.

11. The transfer of land parcels undergone site development, under the right of ownership shall be performed in accordance with the programme documentation on urban development with due consideration of the intended purpose prescribed.

Privatisation shall not be performed in case the ongoing use of a land parcel does not comply with that envisaged, in a prescribed manner, in the programme documentation on urban development.

12. Disputed land parcels in respect of which judicial proceeding is pending, shall not be subject to privatisation until the entry into force of the relevant decision.

The prohibition shall refer also to the cases of judicial disputes on the ownership of buildings and premises located on the land parcel.

13. For the purpose of privatisation of land parcels the citizen or legal person shall be obliged to file the following:

(1) the document on registration of the right of ownership over the building or premise located on the land parcel, if the land parcel has undergone site developmepnt;

(2) documentation for the registration of the right to use the land parcel;

(3) the layout of the land parcel drawn up in a prescribed manner,

(4) applications by all owners of the building and premise located on the land parcel,

(Article 62 amended and supplemented by HO-245-N of 23 June 2011)

Article 63. Alienation of land parcels falling under the ownership of the State and communities

Land parcels falling under the ownership of the State and communities shall be alienated in order to be used for the purposes not prohibited by law. Land parcels subject to alienation shall be defined on the bases of land use schemes and general layouts.

Land parcels falling under the ownership of the State shall be alienated:

(1) through gratuitous transfer of the right of ownership;

(2) through direct sale;

(3) through auctions;

(4) through exchange.

(Article 63 amended by HO-228-N of 23 June 2011, supplemented by HO-143-N of 28 September 2016)

Article 63.1 Allocation of land parcels for diplomatic and representative purposes to foreign States and international organisations

1. Foreign States and international organisations may acquire or lease a land parcel for diplomatic and representative purposes from any owner, or use it under the right of gratuitous (permanent) use or the right to conduct site development activity, as prescribed by law, only in compliance with the decision of the Government of the Republic of Armenia or international treaty adopted on the basis of reasoned motion filed by the public administration body authorised in the field of foreign affairs of the Republic of Armenia, by observing of the principle of reciprocity.

2. Land parcels falling under the ownership of the State shall be allocated — to foreign States and international organisations for diplomatic and representative

purposes — under the right to direct sale, right to allocation under the gratuitous right of ownership, as well as under the right to lease or of gratuitous (permanent) use and the right to conduct site development activity, by observing the principle of reciprocity.

(Article 63.1 supplemented by HO-27-N of 27 February 2012)

Article 64. Gratuitous allocation under the right of ownership of land parcels falling under the ownership of the State and communities

1. Land parcels falling under the ownership of the State and communities shall be gratuitously allocated under the right of ownership for agricultural activities, as lands adjoining house or those designed for the construction and maintenance of private dwelling houses to:

(1) families residing in borderline, mountainous, highland residential areas, as well as in areas destroyed by earthquake and deserted (the list shall be approved by the Government), having not been previously availed of privatisation of land, having not received (acquired) land parcels adjoining house or those designed for the construction and maintenance of dwelling houses.

(2) families residing in the Republic of Armenia, who express a desire of settling in residential areas referred to in sub-point 1 of point 1 of this Article.

(3) persons who have resettled upon the decision of the Government of the Republic of Armenia.

(4) families of deceased and disabled freedom fighters residing in the communities having privatised lands, persons referred to in the Law of the Republic of Armenia "On social security of military servicemen and the families thereof", families having four or more children, having not availed of land privatisation,

having not previously received (acquired) a land parcel adjoining house or that designed for the construction and maintenance of the dwelling houses.

(5) repressed persons in need of improvement of the residential conditions, having not availed of land privatisation, having not previously received (acquired) non-encumbered land parcel adjoining house or that designed for the construction and maintenance of dwelling houses in the residential areas where they were residing at the time of repression.

Land parcels shall be gratuitously allocated from the land parcels falling under the ownership of the State, whereas in case of absence of land parcels falling under the ownership of the State — from land parcels falling under the ownership of the communities.

In case of absence land parcels falling under the ownership of the State and communities, a land parcel shall be bought at the expense of the State Budget for the persons referred to in sub-points 1, 4 and 5 of point 1 of this Article, under the procedure established by the Government of the Republic of Armenia.

First-degree heirs of the repressed person sentenced to death, as well as those of the repressed person deceased while serving punishment in form of imprisonment or deceased after serving the punishment, shall benefit from the privilege provided for in sub-point 5 of point 1 of Article 64 of this Code.

The size of the land parcel allocated under the right of ownership for agricultural purposes to the families availing of the gratuitous allocation of land parcels shall be defined on the basis of family-family member correlation and shall not exceed the portion of the land privatised in the community concerned, whereas the size of land parcels adjoining house shall be defined in accordance with the documents on land development and urban development. In case of the absence thereof the size shall be defined by the Government.

The use of land parcels, gratuitously allocated for agricultural activities, for other purposes shall be prohibited.

1.1. The right of ownership over the land parcel required for the maintenance and preservation of the block of flats (including those situated under the ground) built on the land parcels falling under the ownership of the State and communities shall be gratuitously transferred — under the right of common shared ownership — to the owners of the flats of the given building and/or to those of non-residential areas, under the procedure established by the Government of the Republic of Armenia.

1.2. Land parcels falling under the ownership of the State and communities shall be gratuitously allocated to the Armenian Holy Apostolic Church (Mother See of Holy Etchmiadzin) under the right of ownership for the construction and maintenance of churches and premises owned churches.

2. In case of factual use — by the owners — of each land parcel unit or of the total privatised land share by 20% exceeding the size mentioned in the documents attesting the right to immovable property as a result of cadastral cartography carried out in the course of conducting the first state registration activities, their right of ownership over the mentioned land area shall be recognized if:

(1) the given land plot is not designed for use for other intended purpose or operational significance, under the land use scheme or general layout of lands of the community,

(2) the land use does not hinder the intended purpose or operational significance of other land parcels,

(3) the land parcel is not included in the alienation zones and areas designed for the maintenance of transportation-engineering facilities (highways, railways, electric network, water supply and water disposal network, communication networks, gas pipes, water canals), in the zones of preservation of archaeological, historical and cultural monuments, as well as in the land parcels of environmental significance.

3. In case of using a land parcel exceeding the size mentioned in point 2 of this Article, the exceeding part of the land shall be alienated by way of direct sale to the factual user, in the amount of 30 per cent of the current cadastral value of the land parcel, or shall be transferred for lease in the amount of the lease payment equal to the annual land tax rate.

4. If the user refuses to buy or lease the land parcel, the surface area whereof the size defined exceeds, it shall be sold through auctions.

5. ***(part repealed by HO-135-N of 20 May 2009)***

6. Based on the grounds referred to in points 2 and 3 of this Article, land parcels falling under the ownership of the State shall be allocated once at the time of first state registration of the rights to property.

7. Within the meaning of point 1 of this Article family shall be deemed to be the union of citizens living together in civil marriage.

8. The following shall be transferred, under the right of ownership and by virtue of this Law, to legal and natural persons having obtained and registered, as prescribed by legislation, the rights to gratuitous (permanent) use or lease to land parcels falling under the ownership of the State or communities (including land parcels obtained on the ground referred to in point 4 of Article 118 of this Code, except for land parcels provided for in Article 60 of this Code) by 26 November 2005:

(1) land parcels adjoining house, gardening lands, as well as those allocated for the construction and maintenance of private dwelling houses.

(2) land parcels allocated for the construction and maintenance of public and production facilities, where buildings and premises were built thereon in a prescribed manner, including incomplete buildings and premises irrespective of the level of completeness thereof.

The restriction referred to in the first paragraph of point 3 of Article 4 of this Code shall not apply to land parcels adjoining house, gardening lands, those designed for the construction and maintenance of private dwelling houses, for the construction and maintenance of public and production facilities and for the construction and maintenance of residential block of flats.

9. In case of change of the owner of land parcels referred to in sub-point 2 of point 8 of this Article, following the gratuitous acquisition thereof under the right of ownership as a result of purchase and sale, donation, exchange of the land parcel or the allocation thereof to the founders (participants) after the liquidation of legal persons, including as a result of meeting liabilities to creditors or levying an execution, the acquirers must make a payment for the current cadastral value of the land parcel to the state or community budget respectively, irrespective of the fact of acquiring the land parcel gratuitously or non-gratuitously.

In the cases provided for by this point, the state registration of rights shall be rejected if the acquirer fails to submit the payment receipt for the current cadastral value of the land parcel.

The requirement of this point regarding the payment for cadastral value shall not extend to the land parcels alienated to the State or communities.

10. Where following the acquisition of land parcels referred to in sub-point 2 of point 8 of this Article the operational significance of the land parcel is changed for the purpose of construction and maintenance of a dwelling house (including for the purpose of construction of a residential block of flats), the owner of the land parcel must make a payment for the current cadastral value of the land parcel to the state or community budget respectively.

The change of the operational significance of the land parcel in the cases prescribed by this point shall be rejected, if the acquirer fails to submit the payment receipt for the current cadastral value of the land parcel.

11. The leaseholders or users of land parcels allocated before 26 November 2005 for the site development and maintenance of public and production facilities, but yet not undergone site development as of 26 November 2005, may, if they so wish, obtain the right of ownership over land parcels by 31 December 2006 provided that lump-sum payment will be made for the full cadastral value existing at the time of making payment for the land parcel, except for the land parcels referred to in Article 60 of this Code.

The payment receipt for the cadastral value of land parcels provided for by this point and the application filed by the leaseholder or user of the land parcel shall serve as a ground for state registration of the right of ownership.

They may acquire the right of ownership both over the whole land parcel and a part thereof, provided that the land parcel is initially divided into separate property units as prescribed by the owner, whereas relevant rights of the owner or respective user thereto are registered under the procedure established by the Law "On state registration of rights to property".

Persons having not acquired the right of ownership within one year under the procedure established by this point, as well as those entitled to use land parcels referred to in Article 60 of this Code shall preserve their right to lease or gratuitously use the land parcel as well as their right of ownership over buildings and premises within time limits prescribed by the contract on lease or gratuitous use of the land parcel. After the expiry of the time limits provided for by the contract the legal relations having arisen shall be regulated under the procedure prescribed by the Civil Code of the Republic of Armenia.

12. Persons having acquired the gratuitous right of ownership over land parcels referred to in sub-point 2 of point 8 of this Article may, if they so wish, make a lump-sum payment for the full cadastral value existing at the time of making payment for the land parcel by submitting the payment receipt to the state body carrying out registration.

The payment made for the cadastral value of the land parcel under the procedure prescribed by this point shall exempt the future acquirers of the land parcel from making the payment for the cadastral value defined by point 9 of this Article, irrespective of any change in that value.

In case of a change in the operational significance of the land parcel the payment for the cadastral value of the land parcel under the procedure prescribed by this point shall exempt the owner of the land parcel from the payment for the cadastral value defined by point 10 of this Article, irrespective of any change in that value.

13. Under sub-points 1 and 2 of point 8 of this Article, natural and legal persons having obtained the gratuitous right of ownership over land parcels falling under the ownership of the State and community shall be exempted from the profit tax and income tax calculated for these land parcels constituting a gratuitously received asset.

14. The requirements of the legislation in force by 26 November 2005 shall apply to contracts concluded with persons declared as winners as a result of a public bidding held for the alienation of buildings or premises within the framework of enforcement and bankruptcy proceedings, where the public notice on the public bidding has been published by the enforcement officer or bankruptcy manager before 26 November 2005, and the contract has been concluded with the winner of the declared tender prior to 1 October 2006.

The norms of point 8 of this Article shall extend to leaseholders or users of the land parcels from the moment of registration of rights arising from the contracts mentioned in this point.

15. The requirements of the legislation in force at the time of adopting by the Government of the Republic of Armenia decisions on the alienation and privatisation, in the form of direct sale, of buildings or premises falling under ownership of the State, shall apply to the contracts concluded in accordance with these decisions adopted by the Government of the Republic of Armenia before 26 November 2005,

whereas the requirements of point 8 of this Article shall extend to leaseholders and users of the land parcels designed for the construction and maintenance of the building or premise alienated from the moment of registration of the rights arising from these contracts.

In accordance with the decisions adopted by the Government of the Republic of Armenia on the alienation or privatisation of state property in the form of direct sale through tender, the requirements of the legislation in force at the time of adopting the relevant decision by the Government of the Republic of Armenia shall apply to contracts on alienation of buildings or premises falling under the ownership of the State concluded with the persons announced as winners in the given tender as a result of public notice of the tender called before 26 November 2005, whereas the requirements of point 8 of this Article shall extend to leaseholders and users of the land parcels designed for the construction and maintenance of the building or premise alienated from the moment of registration of the rights arising from these contracts.

16. The requirement of point 8 of this Article shall also extend to persons not registered under the procedure defined but entitled to use the land parcel, the right of ownership whereof over the used land shall be granted state registration after the restoration of the grounds for land allocation as prescribed by law. If the land parcels referred to in this point are not subject to alienation, the provisions of Article 118 of this Code shall apply.

17. If the entities responsible for the site development of the built or incomplete blocks of flats or subdivided buildings, enjoying — by 24 December 2005 — the right of ownership over the land parcel allocated for site development, have alienated the flats or a part of the subdivided premise without the relevant land parcel or property of common shared ownership, the relevant parts of the land designed for the construction and maintenance of the given building or premise prescribed by Article 224 of the Civil Code of the Republic of Armenia as well as those of common shared ownership over the building shall, under the right of ownership, be transferred to the owners of the flats or the parts of premise obtained by virtue of this Law.

18. Where the obligation of the leaseholder or user to buy the leased or used land parcel is provided for by relevant decision or contract on transfer for lease and for use of the land parcel designed for the construction and maintenance of a block of flats:

(a) the relevant parts of the land parcel designed for the construction and maintenance of the given building or premise referred to in Article 224 of the Civil Code of the Republic of Armenia as well as those of the common shared ownership over the building shall be gratuitously transferred under the right of ownership to persons having obtained flats, in a prescribed manner, in the given block of flats before 26 November 2005, with due consideration of the portions of relevant parts of the land parcel designed for the flats not alienated yet and those of common shared ownership over the building, which, nevertheless, shall not eliminate the obligation of the leaseholder or user to pay for that part of the land parcel.

(b) the unsold flats of the given building (including flats not built yet or incomplete) may be alienated only after the acquisition — under the procedure defined by the entity responsible for the site development — of the right of ownership over the relevant portion of the land parcel allocated for lease or use only for the purpose of construction and maintenance of a block of flats.

19. Where the obligation of the leaseholder or user to buy the leased or used land parcel is not provided for by the relevant decision or contract on transfer for lease and use of the land parcel designed for the construction and maintenance of a block of flats:

(a) the relevant parts of the land parcel designed for the construction and maintenance of the given building or premise referred to in Article 224 of the Civil Code of the Republic of Armenia as well as those of common shared ownership over the building shall be gratuitously

transferred under the right of ownership to persons having obtained flats, in a prescribed manner, in the given block of flats before 26 November 2005, with due consideration of the portions of the relevant parts of the land parcel designed for the flats not alienated yet and those of common shared ownership over the building.

(b) the unsold flats of the given building (including flats not constructed yet or incomplete) may be alienated only after the acquisition — under the procedure defined by the entity responsible for the site development — of the right of ownership over the relevant portion of the land parcel allocated for lease or use only for the purpose of construction and maintenance of a block of flats.

20. The relevant portions of the land parcel allocated for lease or use for the purpose of construction and maintenance of a block of flats referred to in points 17-19 of this Article shall be calculated on the basis of the layout of the block of flats.

21. The norm of point 8 of this Article shall not extend to land parcels withdrawn — before 26 November 2005 — for the needs of the State in order to implement the site development projects under the decisions of the Government of the Republic of Armenia.

The norm of point 8 of this Article shall not extend to land parcels allocated for lease or gratuitous use aimed at the construction and maintenance of water, heating, electricity, gas, water disposal and telecommunication systems supplied through networks.

(Article 64 amended, supplemented by HO-296 of 5 February 2002, edited by HO-447-N of 4 November 2002, supplemented by HO-39-N of 3 December 2003, edited, supplemented by HO-97-N of 23 May 2006, amended by HO-160-N of 10 September 2008, HO-135-N of 20 May 2009, HO-228-N of 23 June 2011, supplemented by HO-352-N of 8 December 2011)

Article 65. Procedure for gratuitous allocation under the right of ownership of land parcels falling under the ownership of the State and communities

1. Land parcels situated within the administrative boundaries of the community and falling under the ownership of the State shall be allocated by the head of the community upon the consent of the Council of Elders as prescribed by this Code.

The head of the community shall notify the population of gratuitous allocation of land parcels under the right of ownership, through the mass media or other means.

2. Applications filed by the citizens shall be admitted within one month following the day of notification.

Each application shall be considered as prescribed by legislation within five days following the expiry of the time limit for submitting applications.

3. The required land areas shall be specified upon the results of consideration of applications and as per the intended purpose and operational significance — on the basis of one land plot envisaged for agricultural activities or construction and maintenance of dwelling houses.

4. Gratuitous allocation of land parcels falling under the ownership of the State shall be carried out by lot.

Based on the results of the lot, a protocol shall be drawn up indicating information on the sizes and value of the land areas obtained by citizens by lot, on the soil types, intended purpose and operational significance thereof, property rights and restrictions thereto, including availability of servitude.

5. Under the rules of the gift contract concluded between parties and on the basis of the protocol a contract on alienation of the land parcel shall be concluded.

6. Land parcels falling under the ownership of the State may, upon the Decision of the Government, whereas land parcels falling under the ownership of communities

may, upon the consent of the Government, and on the basis of the donation contract as well as under the gratuitous right of ownership, be allocated for the implementation of social or charity programmes or investment programmes approved by the Government of the Republic of Armenia. Goals and conditions for the use of a land parcel must be indicated in the relevant decision of the Government and in the donation contract. Land parcel falling under the ownership of the State or the rights thereto may, upon the decision of the Government, whereas the land parcel falling under the ownership of communities or the rights thereto may, upon the consent of the Government, be invested in the statutory capital of the legal person. Furthermore, the cost of invested land parcel or the right thereto may not be lower than the cadastral value of the given land parcel.

(Article 65 supplemented by HO-5-N of 21 December 2010, amended by HO-13-N of 8 February 2012)

Article 66. Direct sale of land parcels falling under the ownership of the State and communities

(title supplemented by HO-84-N of 11 April 2005)

1. Land parcels falling under the ownership of the State and communities shall be directly sold:

(1) to legal persons and citizens or the legal successors thereof aimed at the preservation and maintenance of privatised enterprises and privatised buildings and premises with little number of flats;

(2) ***(sub-point repealed by HO-27-N of 27 February 2012)***

(3) to citizens and legal persons of the Republic of Armenia regarding the land parcels falling under the ownership of the State or communities and having been allocated — as prescribed by legislation — for use aimed at the construction and

maintenance of residential buildings and premises and those of social or production significance;

(4) persons having the right to preference of buying — under laws and contracts;

(5) land parcels falling under the ownership of the State — upon the decision of the Government, whereas land parcels falling under the ownership of the communities — upon the consent of the Government, aimed at the implementation of social or charity programmes or investment programmes approved by the Government of the Republic of Armenia. The relevant decision of the Government and the contract on direct sale of the land parcel must indicate the programmes to be implemented or the amount and conditions of investment, as well as the liability for violation of conditions of the contract on direct sale of the land parcel;

(6) to the participant of the purchase made for the needs of the State or community, where the object of purchase is considered to be the future sale — to the State or community — of the building or premise to be built on the given parcel land upon the participant's order.

(7) to persons holding a license for transmission (transfer) and distribution of electric energy and natural gas, to those holding an authorisation to use water system with the aim of water supply, as well as to the owner of the systems of transfer of natural gas — in case of transmission (transfer) and distribution of electric energy and natural gas or in case of provision of land parcels for the construction of buildings, premises or other auxiliary constructions prescribed by the projects on water supply systems;

(8) to citizens or legal persons, under the right of ownership, aimed at the enlargement of land parcels undergone site development and those of agricultural significance, if the alienation of additionally alienated land parcel as a separate property unit by way of auctions proves to be impossible. The possibility

of alienating — by way of auctions — a land parcel subject to enlargement as a separate property unit shall be determined in accordance with the criteria determined by the Government of the Republic of Armenia. The size of the land parcel additionally alienated for the purpose of enlargement may not exceed the size of the land parcel provided (obtained) under the right of ownership.

For the purpose of enlargement of the land parcel a land parcel may be provided only once:

(9) in the cases defined by part 2 of Article 72 of this Code, as well as by the Law of the Republic of Armenia "On the status of private dwelling houses without maintained documents certifying rights thereto";

(10) in the cases defined by part 3 of Article 64 of this Code;

(11) to those obtaining land parcels situated in the territory recognised as overriding public interest and alienated to the person obtaining the property for the purpose of ensuring overriding public interests. Moreover, in case of alienation of state-owned land parcels the price of direct sale thereof shall be defined by the Government of the Republic of Armenia;

(12) to the State or communities.

2. The price of direct sale of the land parcel, except for the cases provided for by part 3 of Article 64 and point 11 of part 1 of this Article of this Code, shall be defined in the amount of cadastral value of the given land parcel, whereas in case of construction and maintenance of residential, social and production buildings and premises it shall be not less than the current cadastral value of land parcels allocated, in a prescribed manner, but not undergone site development yet.

Cadastral prices for lands shall, as per intended purpose, be approved by the Government on an annual basis.

(Article 66 supplemented by HO-84-N of 11 April 2005, HO-140-N of 13 June 2006, HO-5-N of 21 December 2010, supplemented, amended by HO-245-N of 23 June 2011, amended by HO-13-N of 8 February 2012, HO-27-N of 27 February 2012, amended, supplemented by HO-126-N of 11 December 2013, edited by HO-409-N of 24 October 2018)

Article 67. Sale of land parcels falling under the ownership of the State and communities, through auctions

(title supplemented by HO-84-N of 11 April 2005, edited by HO-13-N of 8 February 2012)

1. The sale of land parcels falling under the ownership of the State and communities, except for the cases provided for by Articles 65 and 66 of this Code, shall be carried out through auctions.

2. Starting price of the sale through auctions may not be less than 50% of the cadastral value of the land, whereas in case of borderline, mountainous, high mountainous and outlying residential areas included in the list established by the Government of the Republic of Armenia — 30% of the cadastral value of the land.

3. The starting price of the land parcels or separate parts thereof, falling under the ownership of communities, shall be announced by the head of community upon the decision of the Council of Elders of the community.

4. Procedure for organising and carrying out auctions shall be established by the Civil Code of the Republic of Armenia, this Code and the Law of the Republic of Armenia "On public bidding". The provisions of the first paragraph of part 2 of Article 3 of the Law of the Republic of Armenia "On public bidding" shall not cover the sale

of land parcels (separate parts thereof), falling under the ownership of communities, through public bidding — by way of auctions.

(Article 67 supplemented, amended by HO-84-N of 11 April 2005, supplemented by HO-199-N of 4 October 2005, HO-64-N of 19 March 2009, amended by HO-9-N of 26 December 2008, edited by HO-13-N of 8 February 2012)

Article 68. Organising and carrying out auctions

1. The organiser of the auction shall be deemed to be the head of community, whereas beyond the administrative boundaries of the communities — the Marzpet or the official of the staff authorised by the latter.

2. The organiser shall, one month prior to holding the auction, publish through press and other mass media the venue, day and time of holding the bidding, the location of the land parcel, code, starting price, the aim of use, size thereof, information on availability of roads, water-pipe, sewerage, electricity lines, or gas pipeline (in case of agricultural land parcels — also the qualitative data), as well as any restrictions (including servitudes) on the given land parcel.

3. Those willing to participate in the auction shall submit an application, receipt on participation fee in the amount defined and passport.

4. The application for participation in the auction shall not be admitted where the applicant is not considered as the entity of the right of ownership over the land parcel defined by this Code.

5. On the day of holding the auction the participants of the auction shall make a prepayment in the amount of 5% of the starting price of the land parcel concerned.

If upon the results of the action the participant does not win, the prepayment shall be immediately returned thereto. If the participant has won, the prepayment shall be included in the selling price.

6. Admission of applications and registration of participants shall be terminated three days prior to the day of holding the auction. The auction shall be held behind closed doors, with the participation of only registered persons, the organiser and the registrar.

The format of holding the auction shall be indicated in the auction announcement.

7. Entry into the hall from the moment the auction starts, shall be prohibited.

The auction shall start provided that the number of bidders is more than one.

In case of failure of the first auction, the second auction shall be organised and held in a prescribed manner and within time limits defined by this Article, except for the auction of agricultural land parcels, which shall be held within 7 working days by ensuring the required publicity of information. Upon the results of each bidding a separate protocol shall be drawn up, containing information on the venue, time, participants and organiser of the auction, as well as on the process and results of bidding.

8. The winner of the auction shall be considered to be the person having offered the highest price.

In case of failure of the second auction, the land parcel may be alienated through direct sale at the fixed starting price. In case of a direct sale the preference of buying shall be reserved to the inhabitants of the given community.

9. The protocol shall be signed by the organiser, registrar and by the participants of the auction if they so wish. The protocol shall be maintained by the relevant body organising the auction.

(Article 68 edited by HO-199-N of 4 October 2005, amended by HO-9-N of 26 December 2008)

(The provision "The auction shall be held behind closed doors, with the participation of only registered persons, the organiser and the registrar"

in the first paragraph of part 6 of Article 68 with regard to the part by which the interpretation given thereto in law-enforcement practice blocks persons having expressed the desire to attend auctions for sale of land parcels falling under the ownership of the State and communities and observing the process of the auction as prescribed by law, including representatives of organisations and mass media representatives performing their statutory duty, has been declared as contradicting Articles 42, 78 and 79 of the Constitution of the Republic of Armenia and as invalid upon Decision SDO-1399 of 30 January 2018.)

Article 69. Recognising the auction as not having taken place

1. The auction shall be recognised as not having taken place, where an application for participation in the auction has not been filed, or the person having won the bidding has refused to obtain the land parcel, or in other cases provided for by law.

2. The prepayment made by the person having won the auction and having refused to buy the land parcel shall not be returned. He or she shall be also deprived of the right to buy the given land parcel through direct sale.

3. A relevant protocol shall be drawn up in respect of the auction having not taken place.

(Article 69 amended by HO-143-N of 28 September 2016)

Article 70. Registration of the auction results and transfer of the right of ownership

1. Person having won the auction shall be obliged to fully pay, within 10 days, the price fixed on the basis of the results of bidding. In case of failure to pay the price within the mentioned time limit, the person having offered the second highest price

during bidding shall be deemed to be the winner who also shall be obliged to fully pay the given price within a period of 10 days.

2. The parties shall, within a period of two days following the payment of the price in full, conclude a contract on alienation which shall be notarised and shall be subject to state registration.

Article 71. Alienation of the right of ownership over the land parcel through exchange

1. Alienation of the right of ownership over the land parcel through exchange between the owners shall be carried out:

(1) for the purpose of increasing the efficiency of the use of the land parcel;

(2) for the purpose of removing the wedging, fragmentation, disunity of the land parcel;

(3) for the purpose of merging or dividing the land parcel.

2. The exchange of land parcels falling under the ownership of the State shall be carried out through the authorised body under the procedure established by the Government.

3. The exchange of land parcels falling under the ownership of the community shall be carried out by the head of community upon the consent of the Council of Elders in compliance with the documents on land development and urban development.

Article 72. Allocation of land parcels by virtue of the right to acquisitive prescription

1. Citizens and legal persons shall have the right to acquisitive prescription of the right to use with regard to the land parcels —out of those owned by the State and

community — they possess without legal registration and which they have been using continuously and openly for more than ten years, provided that the land parcels comply with the requirements of point 2 of Article 64 of this Code.

The right to acquisitive prescription shall be deemed as the right to preference of these persons to legally register their right to use with regard to the land parcels concerned in case of arising of the possibility of providing the land parcels to other persons under the same conditions.

In case of withdrawing such lands for other intended purpose, persons entitled to acquisitive prescription must be provided with other land parcels instead, or the damage incurred thereby must be compensated on the grounds provided for by point 1 of this Article.

2. Citizens and legal persons having availed of the lands — owned by the State or community — continuously, in good faith and openly for more than ten years without legal registration of their rights, shall have the right to preference to acquire land parcels from these lands where the acquisition of the land parcels concerned under the right of ownership is not prohibited, or where they are sold or gratuitously transferred for the same intended purpose, and where the land parcels meet the requirements of point 2 of Article 64 of this Code.

The right to acquisitive prescription shall be granted upon the decisions of public administration bodies and local self-government bodies or through judicial procedure.

3. Arising of the right of ownership — by virtue of acquisitive prescription — over the land parcel of another owner shall be regulated by the Civil Code.

Article 73. Site development on a land parcel

1. Citizens and legal persons having obtained land parcels — out of those owned by the State and communities — under the right of ownership, right to use or under

transactions related to immovable property shall, in compliance with legislation on urban development, housing, preservation of nature and cultural monuments, historical environment and other legislation, be entitled to carry out construction activities or bring down and reconstruct the buildings and premises obtained thereby, under the condition of fulfilling the obligations with regard to restrictions on the use of land parcels.

2. Construction shall commence after reaching an agreement on and approving the plan thereof in a prescribed manner, and after obtaining permission for construction from relevant public administration bodies or local self-government bodies.

3. ***(part 3 repealed by HO-245-N of 23 June 2011)***

(Article 73 amended by HO-245-N of 23 June 2011)

Article 74. Granting the right to conduct site development activities on lands falling under the ownership of the State and communities

1. The right to conduct site development activity on lands falling under the ownership of the State and communities may be granted upon tender aimed at construction of residential, public and production buildings and premises, separate residential quarters and urban development complexes.

Site development activity may be conducted on a land parcel at the expense of both the State or community budget or at the expense of the entity responsible for the site development.

2. The conditions on and the procedure for holding a tender on granting the right to conduct site development activity shall be established by the Government.

The Council of Elders of the community may set additional conditions for the tender.

CHAPTER 16

ALLOCATION OF LAND PARCELS FOR USE OUT OF THOSE OWNED BY THE STATE AND COMMUNITIES

Article 75. Procedure for allocation of lands falling under the ownership of the State and communities, for gratuitous (permanent) use

1. Lands falling under the ownership of the State and communities shall be allocated, without tender, for gratuitous (permanent) use:

(1) to state or community institutions and organisations;

(2) to charitable, public organisations and funds for carrying out non-entrepreneurial activities;

(2.1) Armenian Holy Apostolic Church (Mother See of Holy Etchmiadzin);

(3) ***(sub-point 3 repealed by HO-39-N of 3 December 2003)***

(4) in the cases provided for by law and other regulatory legal acts.

Lands falling under the ownership of the State and communities and situated within the administrative boundaries of the communities shall be allocated for permanent use by the head of community upon written application of the state authorised body within 15 working days from the date of receipt of the application.

2. The following shall be attached to the application:

(1) the decision of the authorised body on obtaining a land parcel under the right of permanent use;

(2) the purpose of obtaining the land parcel and the required size of the land area;

(3) ***(point 3 repealed by HO-245-N of 23 June 2011)***

(4) where the required land parcel is being used by another person, the authorised state body shall, by properly notifying the land user at least one month before receipt of the application for allocation of lands for gratuitous (permanent) use, receive the written consent of the land user . In case of disagreement the rights of the land user with regard to the given land parcel may be terminated as prescribed by this Code.

3. On the basis of the mentioned documents the head of community shall, within a period of one month, adopt a decision and conclude a contract on providing the land parcel for gratuitous (permanent) use.

The layout of the allocated land parcel shall be attached to the contract.

4. Agricultural lands may be allocated for permanent (gratuitous) use to another land user only upon harvesting of the agricultural crops.

5. Expenses incurred for the deployment, improvement and other reclamation works with regard to permanent crops and plantation, as well as those incurred for forestation and nature protection measures shall be subject to compensation, the procedure for the provision whereof shall be established by the Government.

6. Lands situated beyond the administrative boundaries of the communities shall be allocated for permanent use by the Marzpet as prescribed by this Article.

(Article 75 supplemented by HO-296 of 5 February 2002, amended by HO-39-N of 3 December 2003, HO-9-N of 26 December 2008, HO-245-N of 23 June 2011, supplemented by HO-352-N of 8 December 2011, supplemented, amended by HO-143-N of 28 September 2016)

Article 76 Allocation of land parcels falling under the ownership of the State and communities, under the right to lease or conduct site development activity

(title supplemented by HO-143-N of 28 September 2016)

1. Land parcels falling under the ownership of the State and communities shall be allocated for temporary use under the right to lease or to conduct site development activity, in compliance with land use schemes and general layouts.

2. Land parcels falling under the ownership of the State and communities and situated within the administrative boundaries of communities shall be allocated by the heads of communities under the right to lease or right to conduct site development activity.

Land parcels falling under the ownership of the State and situated beyond the administrative boundaries of communities shall be allocated by Marzpets under the right to lease or right to conduct site development activity.

3. Land parcels falling under the ownership of the State and communities shall be allocated, upon tender, under the right to lease or right to conduct site development activity.

4. The land parcel shall be allocated under the right to lease or right to conduct site development activity:

(1) to the citizens of the Republic of Armenia;

(2) to legal persons of the Republic of Armenia and foreign legal persons;

(3) to foreign nationals and stateless persons, as well as persons with special residence status in the Republic of Armenia;

(4) ***(sub-point repealed by HO-27-N of 27 February 2012)***

5. The cases of allocating the land parcel, without tender, under the right to lease or right to conduct site development activity shall be defined by the Government.

(Article 76 supplemented by HO-199-N of 4 October 2005, amended by HO-9-N of 26 December 2008, HO-228-N of 23 June 2011, HO-27-N of 27 February 2012, supplemented by HO-143-N of 28 September 2016)

Article 77. Tender commissions

1. For the purpose of organising tenders to allocate land parcels under the right to lease and/or right to conduct site development activity the head of the community or the Marzpet shall, within the scope of their competence, establish tender commissions.

Tender commissions shall be headed by the heads of communities, the Marzpet or the official of the staff authorised by the latter.

Community tender commissions shall be composed of relevant professionals from among the administration of the community and members of the Council of Elders.

Tender commission of the Marz shall include relevant professionals from Marzpetaran [regional governor's office] and representatives of territorial subdivisions of state bodies authorised by the Government.

2. Tender commissions shall define conditions of the tender, which must include:

(1) intended purpose and operational significance of the land parcel;

(2) size of the land parcel and time periods for lease and/or site development thereof;

(3) location, code of the land parcel, and the starting price of the payment;

(4) purpose of use, availability of communication lines;

(5) availability of restrictions (including servitudes) on the land parcel;

(6) in case of agricultural soil types — qualitative characteristics and agro-technical requirements;

(7) nature and land protection measures.

Tender commission may define other additional requirements and conditions.

For the purpose of recognising the best conditions of the tender and assessing the level at which the participants of the tender meet the conditions of the tender, the head of community shall establish a method to assess the conditions of the tender with a single assessment ratio.

(Article 77 supplemented, amended by HO-199-N of 4 October 2005, amended by HO-9-N of 26 December 2008, supplemented by HO-143-N of 28 September 2016)

Article 78. Organisation of tenders

1. Tenders shall be open; anyone may take part in the tender. Tenders shall be organised and held by tender commissions.

2. One month prior to holding a tender the commissions shall publish information through mass media on the object, form, venue, month, day and time of holding the tender, as well as on the conditions, requirements of and procedure for holding the tender — established by the commission — including registration for participation in the tender, determining the winner of the tender, as well as starting price of the object of the tender.

3. Those willing to participate in the tender shall submit an application, receipt of the payment for participation and passport. Participants of the tender shall make a prepayment for participation in the tender in the amount defined in the announcement on holding it which may not exceed at least 5 per cent of the object of tender. Prepayment shall be made on the day of holding the tender.

4. If the participant does not win the tender, the amount of prepayment shall be returned thereto.

When concluding a contract with the person having won the tender the amount of prepayment made thereby shall be included in the cost of performance of obligations under the concluded contract.

5. Admission of applications for participation in the tender shall be terminated 3 working days prior to the day of holding the tender. The person having won the tender and the commission, on behalf of the Chairperson, shall sign the protocol on the results of tender immediately after the publication of results of the tender, which shall contain information on the venue, time, participants and organiser of the tender, as well as the results of the tender.

6. Where the person having won the tender refuses to sign the protocol, the prepayment made thereby shall be forfeited. He or she shall also be deprived of the right to lease or right to conduct site development activity on the land parcel without tender in case the tender is considered as having not taken place. Where the commission refuses to sign the protocol of the tender, the organiser shall be obliged to return the prepayment made by the person having won the tender in double amount.

The winner of the tender shall be deemed to be the person having offered, under the opinion rendered by the commission, the best quotations and having scored high points with assessment ratios.

7. In case of equal conditions preference shall be given to the resident of the community or legal person registered in the given community.

(Article 78 supplemented by HO-199-N of 4 October 2005, HO-143-N of 28 September 2016)

Article 79. Recognising the tender as having not taken place

1. The tender shall be recognised as having not taken place where no application has been filed for the tender. In this case the tender shall be recognised as having not taken place not later than the day following the date of holding it. A relevant protocol shall be drawn up on the tender as having not taken place.

2. In case the tender does not take place, the second tender may be announced under the procedure and within time limits defined by Article 78 of this Code, except for agricultural lands, the second tender whereon shall be held within 7 working days. Where the second tender does not take place the land parcel may be allocated without tender.

(Article 79 amended by HO-143-N of 28 September 2016)

Article 80. Registration of the results of tender and transfer of right to lease and/or to conduct site development activity

(title supplemented by HO-199-N of 4 October 2005)

1. Based on the protocol drawn up with regard to the tender a contract on lease and/or site development shall be concluded between the head of the community, or Marzpet, or official of the staff authorised thereby and the person having won the tender.

2. Rights arising from the contract on lease and/or site development shall be subject to state registration.

(Article 80 supplemented by HO-199–N of 4 October 2005, amended by HO-9-N of 26 December 2008)

Article 81. Peculiarities of the right to lease and/or conduct site development activity on the land parcel

(title supplemented by HO-199-N of 4 October 2005)

1. ***(part 1 repealed by HO-245-N of 23 June 2011)***

2. Land parcels falling under the ownership of the State and communities and occupied by buildings and premises owned by the State and communities under the right of ownership may not be transferred for lease.

3. The amount of annual lease payment and/or the fee for the right to conduct site development activity may not be less than the annual tariff rate of the land tax.

4. When allocating a part of land parcels falling under the ownership of the State and communities, under the right to lease or conduct site development activity, land parcels shall not be divided, the boundaries shall be determined in compliance with the layout of the land parcel issued by the competent authority.

5. Contract on the right to lease and/or conduct site development activity on land parcels shall be deemed as not concluded where the property rights of the parties to the land parcel, restrictions on the use thereof, amount of payment and time limits for the right to lease have not been determined therein.

6. Peculiarities of the right to lease and/or conduct site development activity on agricultural lands shall be regulated by Article 94 of this Code.

(Article 81 supplemented and amended by HO-199-N of 4 October 2005, HO-245-N of 23 June 2011)

Article 82. Allocation of land parcels situated within the zones of linear infrastructure alienation and sanitary protection zones of legal persons

Land parcels, situated within the zones of linear infrastructure alienation and sanitary protection zones of legal persons may, upon the consent of the possessors thereof, be allocated to citizens by local self-government bodies under the right to temporary use (lease) for market gardening and haying.

Article 83. Use of lands when carrying out investigations

1. Organisations and institutions carrying out investigations, geodesic activities, land-surveying and other researches shall carry out these works in all lands, irrespective of the intended purpose thereof, based on the decisions for carrying out investigations — adopted under the procedure established by state bodies — and on the basis of the contracts concluded with the land owner and land user. Land parcels required for investigations shall be not be withdrawn.

2. The contracts shall define the time limits for carrying out relevant works and amount of payments for land use, obligation for compensation of damages and for bringing the land to a condition suitable for using it in compliance with the intended purpose thereof.

3. In case of failing to reach an agreement, the dispute shall be settled through judicial procedure.

4. Organisations and institutions carrying out investigation and research activities shall, in the course of carrying out relevant works or — in case of impossibility thereof — within time limits envisaged by the contract, upon bringing the land to a condition suitable for using it in compliance with the intended purpose thereof, transfer them under handover act to the respective owners and users .

5. Organisations and institutions carrying out investigations the technology of the activities whereof requires to occupy the land parcels or the parts thereof with buildings and premises, to install devices, equipment on the land parcels, build storehouses for raw materials or other premises fully or partially restricting the use of land parcels by the owners and users thereof, shall pay the respective land tax or payment and shall compensate the damages caused to the land owner and land user.

CHAPTER 17

CIRCULATION OF LAND PARCELS

Article 84. The concept of circulation of land parcels

1. The circulation of land parcels shall be deemed to be the transfer of a land parcel and the rights thereto from one person to another by concluding contracts and other transactions complying with the peculiarities prescribed by the Civil Code and this Code.

2. The land parcels not subject to transfer to the ownership of citizens and legal persons in compliance with Articles 60 and 62 of this Code may not be circulated.

3. The circulation of land parcels allocated for agricultural production shall be limited. They may be transferred from one person to another in case the circulation thereof is permitted under Chapter 18 of this Code.

4. The land parcels falling under the ownership of citizens and legal persons or those provided thereto for use may be circulated in compliance with the civil legislation and this Code.

Article 85. Making contribution of land parcels to the statutory capital of legal persons

1. The owner of a land parcel or the leaseholder thereof (upon the consent of the owner) shall have the right to make a contribution of the land parcel or the right to lease thereto as a deposit to the statutory capital of a legal person. The amount of the contribution shall be determined upon the consent of the parties based on the report of a licensed appraiser. In this case the right of ownership over a land parcel or the right to lease thereto shall be transferred to the legal person after state registration of the rights to the land parcel. Such registration shall be carried out on the basis of the constituent agreement on making contribution of the land parcel or the right to lease thereto to the statutory capital.

The right of preference of the investor to regain the land parcel or the right to lease thereto, in case of liquidation of a legal person, may be provided for by the agreement.

2. Public administration bodies and local self-government bodies shall not have the right to make a contribution of land parcels or the right of permanent use thereof to the statutory capital of legal persons.

Article 86. Peculiarities of purchase and sale of a land parcel

1. Land parcels falling under the ownership of citizens and legal persons may be sold and acquired without changing the intended purpose and operational significance thereof.

2. A part of a land parcel falling under the ownership of citizens and legal persons may not be sold, unless it has been initially divided into separate land parcels as prescribed by the legislation.

3. Other peculiarities of purchase and sale of land parcels shall be prescribed by civil legislation.

Article 87. Peculiarities of acquisition of the right to a land parcel under transactions related to immovable property

1. When transferring the right of ownership over a building or premise located on the land parcel of the owner, the part of the land parcel occupied with the building, premise as well as the rights to the land parcel necessary for the use and maintenance of the building, premise must also be alienated.

2. Alienation of buildings or premises falling under the ownership of the State and communities and having been built on the land parcels referred to in Article 60 of this Code, shall be prohibited. Such buildings and premises may be allocated under the right to use or right to conduct site development activity.

Buildings and premises prescribed by this point may be alienated only after changing, in a manner prescribed, the intended purpose of relevant land parcel by observing the norms prescribed by point 1 of this Article.

3. In case of alienation of a separate area (a unit of immovable property) in subdivided buildings, premises, including in blocks of flats, the right of common shared ownership over the land parcel underlying the building shall be transferred to the acquirer. Moreover, other participants of the land parcel shall not have the right to preference of buying.

(Article 87 edited by HO-199-N of 4 October 2005)

Article 88. Peculiarities of mortgage of land parcels

1. Land parcels falling under the ownership of citizens or legal persons may be deemed to be a subject of a mortgage.

2. In case of a mortgage of a land parcel the right of pledge shall also extend to the buildings and premise of the pledgor that are located on this land parcel or are under construction.

3. In case of common ownership of a land parcel a mortgage may be established on the land parcel owned by a citizen or legal person, that is separated in kind — as a separate property — from the land parcel falling under common ownership and the rights thereto are registered under the procedure established by law on state registration of rights to property, except for the land parcels falling under the right of ownership and designed for construction of a block of flats or subdivided buildings.

4. Land parcels falling under the ownership of the State or communities may not be deemed as a subject of mortgage.

5. Legal relations pertaining to mortgage of land parcels shall be regulated by the Civil Code of the Republic of Armenia.

(Article 88 edited by HO-199-N of 4 October 2005)

Article 89. Gifting of land parcels

1. The owner of a land parcel shall have the right to transfer the land parcel or the divisible part thereof to a citizen, legal person, as well as to the State or communities under a gift contract.

2. Public administration bodies and local-self-government bodies shall not be entitled to abandon the land parcels transferred to the State or communities by way of gifting, except for the cases of gifting of land parcels threatening the life and health of people or those burdened by debts exceeding the market price of land parcels.

3. Legal relations arising in course of gifting of land parcels shall be regulated by the Civil Code of the Republic of Armenia.

Article 90. Inheritance of land parcels

1. In case of death of a citizen the right of ownership over the land parcel or a part thereof owned thereby shall, in compliance with the Civil Code, be inherited — under a will or by virtue of law — to other persons, taking into account the peculiarities provided for by Article 95 of this Code.

2. The division of a land parcel among heirs leading to a change in the intended purpose and authorised use as well as to alteration of the minimum sizes of the land parcel defined, shall be prohibited. In this case the procedure for making use of the land parcel shall be established upon the consent of the parties or through judicial procedure.

3. Legal relations arising in course of inheritance of land parcels shall be regulated by the Civil Code.

CHAPTER 18

PECULARITIES OF CIRCULATION OF AGRICULTURAL LANDS

Article 91. Allocation of agricultural lands

1. Agricultural lands shall be allocated to citizens and legal persons under the right of ownership or right to use for the purpose of:

(1) cultivation of agricultural crops, establishment of perennial seedlings, scientific research and for educational purposes;

(2) haying and grazing of livestock;

(3) construction of agricultural production buildings and premises;

(4) construction and maintenance of residential, public and production buildings, premises— in exceptional cases, and fulfilment of other activities not prohibited by legislation.

2. The Government shall establish the list of communities in respect of which the construction of residential and/or public buildings, premises and/or buildings, premises of production significance on agricultural lands shall be prohibited.

Article 92. Regulation of land relations of legal persons, as well as individual entrepreneurs carrying out agricultural activities

1. Land relations arising in the cases of formation, reorganisation, renaming, bankruptcy, liquidation of a legal person, as well as the rights of founders and participants of legal persons, peculiarities of circulation of land parcels of legal persons and individual entrepreneurs shall be prescribed and regulated as prescribed by the Civil Code and other laws.

2. In case of liquidation of a legal person the land parcels falling under the ownership of the State and allocated to the legal person under the right to use within the administrative boundaries of communities, shall be transferred to the communities under the right of ownership.

Article 93. The procedure for adopting decisions on disposal of land parcels by a legal person

1. The decision on transferring land parcels for lease, making contribution thereof to the statutory capital, exchanging land parcels shall be adopted by the General Meeting of members (participants) or the body authorised by the statute.

2. Documents certifying the right to land parcels, decisions of the members (participants) of General Meeting or those of the body authorised by the statute shall serve as a ground for conclusion of a transaction and the state registration thereof.

3. Issues related to abandoning a land parcel or transferring it for lease to another person by a legal person shall be regulated as prescribed by this Code and the Civil Code.

*(**Article 93 amended by HO-186-N of 27 November 2006**)*

Article 94. Transferring agricultural lands for lease

1. Transferring agricultural lands for lease shall be deemed to be transferring — for a certain time period and in return for payment — of land parcels along with or without the property located thereon to the citizens and legal persons for agricultural activities.

2. In cases of effective use of a land parcel allocated by lease and observance of the conditions of contract the leaseholder shall have the right of preference to extend the contract for a new period of time.

3. The requirements specified by a lease contract of a land parcel shall be prescribed by the Civil Code.

4. The leaseholder must fulfil the requirements of the contract whereas the lessor shall be obliged to reimburse the expenses and lost benefit related thereto, unless otherwise provided for by the contract.

5. The leaseholder shall not — without the consent of the lessor— have the right to:

(1) allocate a land parcel under the right to sublease or right to gratuitous use;

(2) allocate a land parcel, fully or partially, to a legal person engaged in agricultural production, for the purpose of joint use;

(3) change the intended purpose of a land parcel, the soil type;

(4) pledge a land parcel or the right thereto;

(5) make improvements.

6. The minimum amount of payment for the lease of agricultural lands falling under the ownership of the State or communities shall be defined not less than the land tax rate established for the given land parcel.

The payment shall be levied under the procedure provided for by the contract.

7. The lessor shall have the right to require the rescission of the contract on agricultural lease, when these land parcels are subject to privatisation in the cases and under the procedure provided for by law or in other cases provided for by contracts.

7[1]. Agricultural land parcels falling under the ownership of the citizens and legal persons (except for lands falling under the ownership of the State and communities) may be transferred for lease for the purpose of construction of buildings, premises in the cases and under the procedure provided for by the legislation

(Article 94 supplemented by HO-199-N of 4 October 2005, amended by HO-245-N of 23 June 2011)

Article 95. Inheritance of an agricultural land parcel falling under the ownership of a citizen

1. In case of death of a citizen the agricultural land parcel falling under the ownership thereof shall be inherited in compliance with the Civil Code. Moreover, the agricultural land parcel shall not be divided among the heirs, instead, it shall be granted to the heir of the degree who undertakes to engage in agricultural production.

In case of a dispute the issue shall be settled through judicial procedure.

2. The heirs having refused to carry out agricultural production shall have the right to receive compensation in the amount of the portions to be allocated thereto from the inheritance.

The heirs may found a legal person by contributing the portions thereof.

3. Where one of the heirs does not wish to engage in agriculture the latter shall be obliged to transfer his or her right over the land parcel to the heirs having assumed the obligation of engaging in agriculture.

4. In case of absence of heirs or a will, as well as renunciation of inheritance, the land parcel shall be transferred to the ownership of the community.

5. The right to lease of a land parcel, the time period whereof has not expired, shall be transferred to the heir — by virtue of law or under a will — having assumed the obligation of engaging in agricultural production, as prescribed by point 1 of this Article, unless otherwise provided for by the lease contract.

6. The heir shall reformulate the contract on the use of a land parcel in the name thereof, which shall be followed by state registration of a land parcel.

7. In case of inheritance of a land parcel by a minor citizen the legal representatives thereof may transfer that land parcel for lease until heir attains majority.

Article 96. Land parcels designed for agricultural activities — growing of crops, market gardening, haymaking, grazing lands

1. Land parcels designed for agricultural activities, *i.e.* growing of crops, haymaking and grazing of livestock shall be transferred for lease to citizens and legal persons, from land parcels falling under the ownership of the State and communities, for time periods prescribed by this Code.

2. Grazing lands shall be transferred for lease under the condition of engaging in livestock farming. The standard of a land area necessary for one livestock unit shall be established by the state authorised body in the field of agriculture.

3. Land parcels allocated for growing of crops shall be used for growing of plants. Cultivation of perennial crops or establishment of perennial seedlings in these land

parcels shall not be permitted, unless the time period for lease allows it or unless otherwise provided for by the contract In such cases no compensation shall be provided.

4. If necessary, taking into account the local conditions, premises may be constructed, in the prescribed manner, on land parcels allocated or acquired for agricultural activities, whereas in the territories situated beyond the administrative boundaries of the communities buildings, premises may be constructed for the purpose of organising production activities.

5. Upon the expiry of the time period for lease of land parcels allocated for agricultural activities, the buildings, premises constructed thereon shall be transferred to the owner of the land parcel, unless otherwise provided for by the contract.

6. Rights to the land parcels allocated from the lands falling under the ownership of the State and communities, including from forestry fund, for the purpose of haymaking and livestock grazing, shall be subject to state registration

The procedure for allocation of land parcels to citizens and legal persons for the purpose of haymaking and livestock grazing shall be established by the Government.

In case of other equal conditions on allocation of land parcels preference shall be given to the residents of the given community or Marz.

7. In case of other equal conditions on allocation of land parcels referred to in Article 10 of the Law of the Republic of Armenia "On administrative-territorial division of the Republic of Armenia" preference shall be given to those using the land parcels prior to including the given land parcels in the administrative boundaries of the communities, irrespective of the place of residence of the user concerned.

(Article 96 supplemented by HO-245-N of 23 June 2011)

Article 97. Merger and division of lands of a legal person and citizens

Legal persons and citizens may alter, merge or divide (upon the consent of the owner) the land parcels owned thereby under the right of ownership or right to use. The mentioned functions shall be performed in compliance with the Civil Code and other laws, as well as the requirements of regulatory legal acts.

CHAPTER 19

COMPENSATION FOR LOSSES IN AGRICULTURAL AND FORESTRY PRODUCTION IN COURSE OF SEIZING LAND PARCELS

Article 98. Losses of agricultural and forestry production

1. Losses in agricultural and forestry production, having emerged as a result of withdrawal of lands of agricultural and forestry fund aimed at using them for the purposes other than those designed for agricultural production or forestry, shall be subject to compensation to the owner within three months following the adoption of the decision on allocating a land parcel or changing the intended purpose thereof.

2. Standards of value for development of new lands shall be used in course of calculation of losses of agricultural and forestry production.

3. In case of withdrawal of land parcels the procedure for compensation of the losses of agricultural and forestry production, as well as damages, including lost benefits, shall be established by the Government.

Article 99. Use of funds obtained under the procedure for compensation of losses of agricultural and forestry production

Funds obtained under the procedure for compensation of losses of agricultural and forestry production shall, as per ownership over lands, be transferred to the state or community budget, and shall be directed at compensation of losses incurred by land users, at funding of activities regarding the improvement of soil fertility, development of new lands, recovery of forests.

CHAPTER 20

TERMINATION AND RESTRICTION OF RIGHTS TO LAND PARCELS

Article 100. Grounds for termination of rights of citizens and legal persons to land parcels

1. The right of ownership of citizens and legal persons to land parcels shall terminate in case of:

(1) voluntary abandonment of a land parcel;

(2) alienation of a land parcel;

(3) death of the owner where there are no heirs;

(4) alienation of a land parcel for the purpose of ensuring overriding public interests;

(5) requisition or confiscation of a land parcel;

(6) compulsory withdrawal of a land parcel used in violation of the legislation;

(7) liquidation (reorganisation) of a legal person;

(8) levy of execution on a land parcel under the obligations of the owner thereof;

(9) other cases provided for by law.

2. The right to lease or use a land parcel shall terminate on the grounds prescribed by law, as well as those provided for by a lease contract or a contract on use.

3. The servitude established on a land parcel may terminate as a result of elimination of the grounds for establishing it or in case where the land parcel encumbered with servitude may not be used with the intended purpose thereof.

(Article 100 edited by HO-186-N of 27 November 2006, amended by HO-409-N of 24 October 2018)

Article 101. Abandonment of a land parcel

1. The rights to the land parcel shall terminate based on the application for voluntary abandonment of a land parcel by a citizen or a legal person possessing such rights.

2. In case of voluntary abandonment of a land parcel citizens or legal persons shall file an application thereon to the head of community within the administrative boundaries of the community, whereas outside the administrative boundaries of the community — to the Marzpet.

3. Within a period of 15 days following the receipt of the application the head of community shall adopt a decision on recognising the relevant land parcel as a community property whereas the Marzpet — on recognising the relevant land parcel as a state property.

The decision of the head of community, Marzpet shall be subject to state registration as prescribed by legislation.

4. In case of voluntary abandonment of the right to lease a land parcel the lessor shall rescind the lease contract, unless otherwise provided for by the contract.

(Article 101 amended by HO-9-N of 26 December 2008)

Article 102. Grounds for compulsory termination of the rights to a land parcel

The rights to a land parcel shall compulsorily terminate, through judicial procedure, on the following grounds:

(1) non-intended use of a land parcel or the use thereof in a way not authorised by law or other legal acts;

(2) failure to eliminate violations of legislation committed (polluting land parcels with radioactive and chemical materials, wastes, dumps, infecting them with bacterial and parasitic and quarantine hazardous organisms, overgrowing of weeds, not complying with the time limits for return of lands occupied temporarily, destructing and damaging the fertile layers of land, breaching the legal regime established for the use of specially protected areas and areas of historical and cultural facilities, using lands in a way causing harm to the health of the population, etc.) within time limits defined by the authorised body exercising supervision over the use and preservation of lands.

(3) failure to use an agricultural land parcel within three years by a setoff of a time period necessary for recovery after development of a land parcel, reclamation construction, natural disasters and for elimination of other circumstances excluding such use;

(4) failure to use the land parcel or the part thereof allocated for the site development within three years, unless longer time periods for the completion of construction are provided for by the contract;

(5) failure to pay the land tax within three years and failure to cover the debt during the fourth year;

(6) requisition of a land parcel;

(7) confiscation of a land parcel;

(8) alienation of a land parcel for the purpose of ensuring overriding public interests;

(8.1) compulsory alienation of property, in the case provided for by part 2 of Article 282 of the Civil Code of the Republic of Armenia;

(9) levy of execution on the land parcel under the obligations of the owner thereof.

(Article 102 edited by HO-186-N of 27 November 2006, supplemented by HO-73-N of 16 January 2018, amended by HO-409-N of 24 October 2018)

(Part 5 of Article 102 has been declared as contradicting Articles 60, 75 and 78 of the Constitution and invalid upon Decision SDO-1432 of 30 October 2018)

Article 103. The procedure for termination of rights to a land parcel used in violation of the legislation

1. The right of ownership over the land parcel may terminate on the grounds referred to in Article 102 of this Code only on the basis of the judgment of the court.

2. Bodies authorised by virtue of Articles 41-43 of this Code shall file a motion in court on the grounds referred to in Article 102 of this Code.

Article 104. Alienation of a land parcel for the purpose of ensuring overriding public interests

(title edited by HO-409-N of 24 October 2018)

1. Alienation of the ownership right over a land parcel for the purpose of ensuring overriding public interests shall be carried out only in exceptional cases and under the procedure provided for by law, only upon initial and equivalent compensation.

(Article 104 edited by HO-186-N of 27 November 2006, HO-409-N of 24 October 2018)

Article 105. Requisition and confiscation of land parcels

1. In the event of natural disasters, accidents, epidemics and other emergency circumstances, the land parcel or a part thereof may, upon the decision of relevant state body, be withdrawn from the owner in the interests of the society, provided that the value thereof shall be paid (requisition).

2. The person whose land parcel or a part thereof has been compulsorily withdrawn, shall have the right to require to return thereto the retained land parcel or a part thereof, if the circumstance under which the requisition was carried out no longer exists.

3. Where the circumstances mentioned in point 1 of this Article emerge, if the requisition of the land parcel or a part thereof is not necessary, the land parcel or a part thereof may, temporarily and within the period during which these circumstances are effective, be used for the needs of the State or communities, by compensating the damages related to the temporary restriction of the rights of the owner of this land parcel.

The owner of the land parcel may challenge, through judicial procedure, the amount of payments for the compensation of damages.

In the event of declaring quarantine or embargo on economic activities for a certain time period, land parcels shall not be withdrawn, whereas damages related thereto shall be compensated to the owners and users thereof.

4. In case of impossibility to return the requisitioned land parcel, the value of the land parcel shall be compensated to the owner.

5. In the cases provided for by law the land parcel may, under a criminal judgment and without compensation, be seized from the owner (confiscation) as a sanction for the committed crime.

6. The land parcels shall, without compensation and through judicial procedure, be withdrawn from the owners by observing the rules envisaged by Article 104 of this Code for the following deliberate and regular breaches of the land legislation:

(1) contaminating lands with radioactive and chemical substances, industrial wastes, wastewaters, microbe-parasitic and quarantine organisms, covering it with weeds;

(2) failing to take mandatory measures aimed at soil melioration, protection of soil from wind and water erosion, prevention of other processes of land degradation, as well as failing to take measures aimed at the prevention of destruction and damage of lands, the fertile layer thereof, natural resources, objects of archaeological and historical-cultural heritage;

(3) using the land in a way resulting in destruction of other natural resources or regular damages;

(4) violating the regime defined for the use of lands intended for nature protection, natural reserves, health, leisure and other lands requiring special conditions of use, as well as that designed for lands subjected to radioactive and chemical contamination;

(5) using lands in a way which results in causing harm to the health of people or creating a real threat of causing such harm;

(6) failing to use lands of agricultural significance for three consecutive years.

Article 106. Restriction of the rights of owners, users of land parcels in cases of emergence of state or community needs

(Article 106 repealed by HO-186-N of 27 November 2006)

Article 107. Restrictions on the use of lands falling within the border lines of residential areas

1. According to general layouts and land use schemes the allocation of land parcels to citizens and legal persons from the lands falling under the ownership of the State and communities, as well as construction of buildings and premises and investment activities may be restricted.

2. The use of subsurface and natural resources of the lands falling within the border lines of residential areas shall be restricted or prohibited, if activities may endanger the life and health of people and cause damage to the environment.

(Article 107 amended by HO-228-N of 23 June 2011)

Article 108. Guarantees for the rights of owners, users in case of withdrawal of land parcels for state or community needs

(Article 108 repealed by HO-186-N of 27 November 2006)

CHAPTER 21

RIGHTS AND RESPONSIBILITIES OF THE OWNERS, USERS OF LAND PARCELS

Article 109. Rights of owners, users of land parcels

The owners, users of land parcels shall, at their discretion and in any manner, possess, use and dispose of the land parcels to the extent that the possession, use and disposal of land parcels is permitted by this Code and other laws.

Article 110. Responsibilities of the owners, users of land parcels

1. The owners, users of land parcels shall exercise the preservation of the land parcels and be responsible for observing the land legislation.

2. The owners, users of land parcels shall be obliged:

(1) to use the land parcels pursuant to the intended purpose thereof, as well as in such a way which shall not cause damage to the land as a natural and economic object;

(2) not to violate the rights of the owners, users of neighbouring land parcels;

(3) to maintain borderline, geodesic and other special informative signs on the land parcels;

(4) to enhance the fertility of agricultural lands, implement measures on land use and preservation, observe the procedure for the use of forests, water and other natural objects, as well as not to cause damage to the environment;

(5) to observe the regimes defined for land use;

(6) to undertake the use of land parcels within the time periods of development of

land parcels defined by legislation and the regulatory legal acts or agreements of public administration bodies and local self-government bodies;

(7) to make payments for land parcels in a timely manner;

(8) to carry out construction on land parcels, bring them to a good state, as well as to preserve the buildings and premises thereon in compliance with the requirements for urban development, land development, nature protection, sanitary-hygienic, fire prevention and other requirements (norms, rules and standards) defined;

(9) to submit, within time periods defined, to public administration bodies and local self-government bodies the information envisaged by land legislation and other regulatory legal acts;

(10) to support the officials of state authorised bodies exercising oversight over land use and preservation in course of exercising their powers within the framework of the competence defined;

(11) to maintain and transfer to the successors the layouts of land parcels and other documents on the rights related thereto.

Other responsibilities of the owners, users of land parcels may be defined by laws and regulatory legal acts adopted on the basis thereof by public administration bodies and local self-government bodies.

3. ***(point 3 repealed by HO-186-N of 27 November 2006)***

4. The users of land parcels shall, in case of impossibility of using the land parcels or parts thereof for any reason, notify the owners of land parcels of the time periods of not using the land parcels or parts thereof.

In that case the owners of land parcel shall have the right to transfer the given land parcels or parts thereof to other persons for a time period defined.

(Article 110 amended by HO-186-N of 27 November 2006)

Article 111. Reservation of the right to use over land parcels in the event of destruction of buildings and premises

1. Where buildings and premises are destroyed as a result of fire, natural disasters and other force majeure circumstances, as well as in case of destruction of accident-risky buildings and premises, the right of the user over the land parcel shall be reserved provided that the building and premise shall be restored or alienated, in a manner prescribed, within three years.

The public administration body or local self-government body shall be entitled to extend this time limit. In case of a dispute the time limit may be extended through judicial procedure.

2. In the cases referred to in point 1 of this Article the conditions on reservation of the right to lease over the land parcel shall be defined by a contract. In case where such conditions are not indicated in the contract, the rules of point 1 of this Article shall apply.

Article 112. Exercise of the rights of citizens and legal persons over land parcels

1. Citizens and legal persons shall exercise their rights to the land parcel at their own discretion, with due consideration of the laws and regulatory legal acts.

2. The termination of the rights to land parcels, in case of abandonment of these lands, shall be carried out in a manner prescribed and shall be subject to state registration.

CHAPTER 22

LAND DISPUTES

Article 113. Protection of the rights to land parcels

The protection of the rights of citizens and legal persons over land parcels shall be exercised on the basis of the Constitution and laws of the Republic of Armenia:

(1) upon recognition of the right;

(2) upon restoration of the situation existing prior to the violation of the right and upon prevention of the activities violating or creating a threat for violation of the right;

(3) upon declaring the disputable transaction as invalid and upon application of consequences of invalidity of the null and void transaction;

(4) upon declaring the act of public administration body or local self-government body as invalid;

(5) upon protection of their rights;

(6) upon compensation of damages;

(7) in other ways envisaged by law.

Article 114. Land disputes

Issues related to the exercise of the rights to a land and those related to the regulation of land relations, *i.e.* land disputes, may be settled through judicial procedure.

CHAPTE R 23

LIABILITY FOR THE VIOLATION OF LAND LEGISLATION

Article 115. Liability for the violation of land legislation

1. The liability for the violation of land legislation shall be defined by laws.

2. Persons subjected to administrative liability shall not be exempt from the responsibilities of eliminating the violations committed and compensate the damages caused.

Article 116. Compensation for the damage caused in violation of land legislation

1. Legal persons and citizens shall be obliged to compensate in full the damages and losses having been caused thereby as a result of violation of land legislation.

2. The land parcels occupied without authorisation shall be returned to the owners and users thereof without compensation for the expenses incurred within the time period of illegal use of these land parcels by those violating the land legislation.

3. The responsibility of bringing the land parcels — brought to a condition not suitable for use — to a condition suitable for use, bringing down the buildings and premises deemed as a result of unauthorised occupation of land parcels or unauthorised construction, as well as that of restoring the border signs destroyed, shall lie with the citizens and legal persons having committed the mentioned violations or shall be exercised at their expense.

4. The right of ownership over the building and premise constructed without authorisation may be recognised only in the case of the person, who under the right to ownership possesses the land parcel whereon those buildings and structures are built.

(Article 116 edited by HO-199-N of 4 October 2005)

CHAPTER 24

FINAL AND TRANSITIONAL PROVISIONS

Article 117. Procedure for putting into effect the Land Code of the Republic of Armenia

1. The Land Code of the Republic of Armenia shall be put into effect from the moment of its publication.

2. The Land Code of the Republic of Armenia shall be applied to land relations emerging after putting it into effect.

As regards the relations emerging prior to putting this Code into effect this Code shall apply to the rights and responsibilities arising after putting this Code into effect.

3. Prior to putting this Code into effect the laws and other regulatory legal acts regulating the published land legislation shall be applied as to the parts not contradicting this Code.

Article 118. Transitional provisions

1. The rights to land parcels acquired — as prescribed by the legislation of the Republic of Armenia —prior to the entry into force of this Code, the restrictions thereon, including servitudes thereto, shall have legal force and shall not be subject to re-registration.

2. The sizes of land parcels allocated under the procedure defined by the legislation of the Republic of Armenia shall not be subject to review after the adoption of this Code.

3. Termination of the rights to land parcels allocated under the procedure defined by the legislation of the Republic of Armenia shall be carried out as prescribed by this Code.

4. Upon the entry into force of this Code, prior to the adoption of this Code, the persons enjoying the right to permanent and temporary (short-term and long-term) use of land parcels referred to in the former Land Code, including privatised legal entities shall acquire the right to lease over the land parcels allocated, as prescribed by the legislation, under annual charges equalised to the land tax tariff rate of the relevant land parcel and within the time periods defined by this Code without changing the size of the land parcel.

The right to lease acquired by virtue of this point shall not be subject to re-registration.

The provision envisaged in this point shall not extend to the land parcels allocated to state and community institutions, condominiums and non-commercial organisations for permanent use. They shall acquire the right to gratuitous use of the land parcel in accordance with point 1 of Article 75 of this Code.

5. Prior to the entry into force of this Code the lease contracts of land parcels, concluded in a manner prescribed, may be amended only upon the consent of the parties, unless otherwise provided for by the contract. They shall have legal force and shall not be subject to re-registration.

6. In case of land parcels — having been previously allocated to legal persons — the documents on the land allocation whereof have not been maintained, the persons having the right to permanent use of lands shall apply to the bodies entitled to allocate lands and referred to in this Code, for the purpose of restoring the documents of land allocation as per the location of the land parcel. These bodies shall, within a period of one month, discuss and make a decision on restoring the grounds for land allocation in accordance with this Code by granting them the right to lease.

7. ***(point repealed by HO-199-N of 4 October 2005)***

8. ***(point repealed by HO-199-N of 4 October 2005)***

9. The provision defined by point 3 of Article 34 of this Code shall enter into force from 2005.

10. After the entry into force of this Code, within a period of one year, the Government shall ensure the adoption of sub-legislative acts ensuring the implementation of this Code.

11. The provision of point 4 of Article 104 of this Code shall have effect one year after the entry into force of this Code, whereas until then it shall be regulated under the procedure established by the Government.

12. In case of liquidation of a legal person, the land parcels falling under the ownership of the State and allocated — within the administrative boundaries of the communities — under the right to use, shall be transferred to the ownership of the community by maintaining the intended purpose of the land parcel.

(Article 118 amended by HO-43-N of 3 March 2004, HO-199-N of 4 October 2005)

Article 119. Repealing

The following shall be repealed:

(1) the Land Code of the Republic of Armenia with all the amendments and supplements thereto;

(2) the decision of the Supreme Council of the Republic of Armenia of 4 February 1991 “On implementation of the Land Code of the Republic of Armenia”;

(3) the Law of the Republic of Armenia "On the procedure for alienation of lands considered as state ownership within the administrative boundaries of urban and rural communities".

President of the Republic of Armenia **R. Kocharyan**

Yerevan

4 Jun e 2001

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