



TK&PARTNERS

WEEKLY CLIENT ALERT N 26

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PARLIAMENT BILLS

AMENDMENTS TO THE RA CIVIL CODE

Taking into account the severe consequences of the military actions unleashed by Azerbaijan against the Artsakh Republic on September 27, 2020, legislative amendments have been made in the RA Civil Code, according to which, in particular,

- Military personnel or other citizen missing in connection with military operations may be declared as missing person by the court if there is no information about his/her location within three months,
- Military personnel or other citizen missing in connection with military operations may be declared dead by the court not earlier than **one year** after the end of military operations.

The above-mentioned legislative amendments apply to the relations arising from September 27, 2020. The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

Find more [here](#)



THE USE OF DRUGS FOR SCIENTIFIC PURPOSES



It is envisaged to allow the use of drugs and psychotropic substances for scientific and educational purposes and expert activities, provided that the relevant license is available. It is envisaged that after being licensed in the relevant type of license, the expert-scientific-educational centers will be able to ensure the circulation of strictly controlled materials.

The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

Find more [here](#)

ANTI-CORRUPTION COURTS

It is proposed to establish a specialized anti-corruption court. The Anti-Corruption Court will have jurisdiction over corruption crimes envisaged by the RA Criminal Code and the civil cases initiated based on the Law on Confiscation of Property of Illegal Origin.

The bill has been adopted by the National Assembly of the Republic of Armenia in the first reading.

Find more [here](#)



AMENDMENTS TO THE RA LAW «ON STATE REGISTRATION OF LEGAL ENTITIES, STATE RECORD OF LEGAL ENTITIES' SEPARATE SUBDIVISIONS, INSTITUTIONS AND OF INDIVIDUAL ENTREPRENEURS»

Henceforth, the functions of the service office of the Agency for State Register of Legal Entities in accordance with the procedure established by the Government of the Republic of Armenia can be carried out by

- state administration and local self-government bodies,
- unified offices of public services,
- notaries,
- attorneys,
- law firms,
- as well as other entities that perform functions in the service sector of citizens.

According to the bill, the diplomatic service bodies in the manner prescribed by RA legislation accept and process applications for individuals and legal entities in foreign countries related to the functions of the Agency for State Register of Legal Entities. The requirement for an electronic signature for applying for state registration has been removed.

The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

Find more [here](#)

AMENDMENTS TO THE RA LAW ON LIMITED LIABILITY COMPANIES

Henceforth, the decisions on the restructuring and the liquidation of the company shall be made by the **unanimous decision** of the company's participants.

The draft amendment envisages separate provisions for each of the ways of the company restructuring.

The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

Find more [here](#)

TAX LEGISLATION

NEW STAMP DUTY RATES



Taking into account the severe consequences of the military actions unleashed by Azerbaijan against the Artsakh Republic on September 27, 2020, legislative amendments have been made in the RA Law "On compensation of the harm caused to the life or health of servicemen in defense of the Republic of Armenia" according to which, it is proposed to establish progressive marking scales instead of an equal fee of AMD 1000 for all.

Individuals pay the stamp duty at the following rate:

With a settlement base of up to AMD 100,000	AMD 1,500
With a settlement base from AMD 100,001 to AMD 200,000	AMD 3,000
With a settlement base from AMD 200,001 to AMD 500,000	AMD 5,500
With a settlement base from AMD 500,001 to AMD 1,000,000	AMD 8,500
In case of a settlement base of AMD 1,000,001 or more	AMD 15,000

Individual entrepreneurs and notaries pay the stamp duties at the following rate:

With a settlement base of up to AMD 1,200,000	AMD 18,000
With a settlement base from AMD 1,200,001 to AMD 2,400,000	AMD 36,000
With a settlement base from AMD 2,400,001 to AMD 6,000,000	AMD 66,000
With a settlement base from AMD 6,000,001 to AMD 12,000,000	AMD 102,000
In case of a settlement base of AMD 12,000,001 or more	AMD 180,000

The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

Find more [here](#)

NEW INCOME TAX RATE

From January 1, 2021, to January 1, 2022, the income tax rate became 22%: 1% less than last year.

The National Assembly approved the law of RA on October 4, 2016.

Find more [here](#)



AMENDMENT OF THE CALCULATION OF THE MANDATORY PENSION CONTRIBUTION

From January 1, 2021, to January 31, 2021, the obligatory pension contribution payment fee will be calculated as follows:

- 3,5% of the monthly gross salary, if it is less than AMD 500,000.
- The difference between 10% of the maximum threshold and AMD 25,000, if the monthly gross salary is more than AMD 500,000.

From January 1, 2022, to January 31, 2022, the pension contribution payment will be calculated as follows:

- 4,5% of the monthly gross salary, if it is less than AMD 500,000.
- The difference between 10% of the maximum threshold and AMD 27,500, if the monthly gross salary is more than AMD 500,000.
- From January 1, 2023, the pension contribution payment rate will be calculated at 5%.

The National Assembly approved the law of RA on June 21, 2014.

Find more [here](#)

DEFINITION OF NEW DEADLINE FOR IMPORTED OR PURCHASED FIXED ASSETS

The minimum period of depreciation for fixed assets imported or purchased in the period from July 1, 2020, to December 31, 2021, is set at the discretion of the resident and non-resident income taxpayer, but not less than one year.

The National Assembly approved the law of RA on December 29, 2020.

Find more [here](#)

DEFINITION OF NEW RESPONSIBILITY

According to the draft Administrative Offences Code of the Republic of Armenia, obstructing the work of state bodies authorized to carry out inspection and tax control in accordance with the procedure established by law will impose a warning or fine.

The National Assembly has not yet accepted the draft amendments to the law.

Find more [here](#)



NEW TERM OF NOTICE FOR TAXPAYERS

Currently, the procedure for submitting notices to taxpayers by the tax authorities within their activities' scope is in the discussion. According to the draft, submitting notices to taxpayers will now be carried out in electronic form.

This rule will not apply to the tax authority's submission of documents on tax audits and investigations.

The National Assembly has not yet accepted the draft amendments to the law.

Find more [here](#)

ECONOMIC COMPETITION PROTECTION

AMENDMENTS IN THE LAW ON ON PROTECTION OF ECONOMIC COMPETITION

In the first reading, the Armenian Parliament discussed the government's draft package on amendments to the Law "On Protection of Economic Competition." The package of proposed changes caused heated discussions in broad circles of society. The basis for such a reaction is that as a result of these changes, the commission's functions and powers are significantly expanded, which is also accompanied by the introduction of a new mechanism for establishing responsibility concerning the economic entities. The proposed package particularly:

- differentiated the proceedings carried out by the commission by defining their characteristic features;
- provides for the possibility of resuming proceedings on an offense if a judicial act that has entered into legal force has recorded the fact of the commission's unlawful exercise of its powers to determine the amount of the fine;
- provides possible to impose an arrest in the amount of a fine imposed on the property of the defendant in the proceeding of an offense;
- provides a ban on the abuse of a strong negotiating position;
- provides a new (stricter) mechanism for application of fines;
- provides the power of sealing any buildings or documents at the disposal of the economic entity, using the technical means available to the economic entity by the persons carrying out the inspections;
- provides a power of ensuring free and fair economic competition in the financial system;
- provides the power of continuous monitoring to control the prices of goods;
- a mechanism for controlling reorganizations, actions, or transactions carried out within a group of persons;
- Article 195 of the Criminal code (which prohibits anti-competitive actions) also establishes as a criminal offense the receipt of large profits of a participant in the commodity market (punished by a fine in the amount of five hundred times to one thousand times the minimum wage, or by arrest for a term of two to three months, or by imprisonment for a period not exceeding three years). The same article establishes as a mitigating circumstance that a participant in the commodity market receives a particularly large amount of profit (punishable by imprisonment for a term of three to eight years with or without confiscation of property) (a large amount

is considered to be the amount from one thousand (AMD 1 million) to five thousand folds (AMD 5 million) the minimum wage established at the time of the crime, and a particularly large amount is considered an amount exceeding five thousand folds (AMD 5 million) the minimum wage established at the time of the crime).

Find more [here](#)



CASCADE COMPLEX



If you want to see Armenian Architecture's new breath, Cascade Complex is just two minutes walk from Opera theatre. This extraordinary building was built in the 1970s. The complex connects Victory Park to the city center. It includes a giant statue of Tamanyan, the garden of Tamanyan, the external and internal stairs of the Cascade stairway, the Cafesjian Center for the Arts, sculptures, fountains, and lots of cafés.

Cascade Complex starts from the giant statue of Alexander Tamanyan, the architect of Yerevan. The official opening of the statue was in 1974; the sculptor of the statue was Artashes Hovsepian. The statue of Tamanyan bends over an immense stone fixed on two smaller stones. The sculptor explained that the left stone symbolizes the old architecture, while the right one represents the new architecture period. Thus Tamanyan creating a bridge between these two periods, built the capital city of Yerevan.

After completing the statue, it was decided to add something that would become one of the city's symbolizing buildings. The mission was to create such a building that would be monumental and dynamic, unique and fashionable at the same time.

As a result, the architects Jim Torosian, Aslan Mkhitarian, and Sarkis Gyurzadian designed and constructed the Cascade complex. The complex consists of numerous stairs and platforms. Each platform has green areas with beautifully planted flowers, sculptures, and a fantastic view of Yerevan and the biblical mountain Ararat.

The famous Cafesjian Center for the Arts is located in the Cascade complex. The founder, Gerard L. Cafesjian, was a prominent Armenian businessman and philanthropist. The center offers a wide variety of exhibitions of contemporary art. Walking around in the Cascade Complex, you can see many modern art pieces from the Cafesjian collection.

[Source](#)