

**THE
LAW OF THE REPUBLIC OF ARMENIA**

**ON AMENDMENTS AND CHANGES TO THE LAW "ON COMPENSATION FOR DAMAGES
CAUSED TO THE LIFE OR HEALTH OF ARMED SERVANTS DURING THE DEFENSE OF THE
REPUBLIC OF ARMENIA"**

Accepted on 29.12.2020

Article 1. In Article 2 of the Law HO-245-N of December 15, 2016 "On compensation for damages caused to the life or health of servicemen during the defense of the Republic of Armenia" (hereinafter referred to as the Law):

1) of the 2nd part:

a. After the word "contractual" in point 1, add the words "or conscription";

b. Paragraph 2 should be completed with a new sentence with the following content: "The fact of not being in military service and volunteering to participate in combat operations and participating in combat operations is confirmed by the certificate of the Ministry of Defense of the Republic of Armenia, the procedure for issuing which is defined by the decision of the Government of the Republic of Armenia."

2) Remove the words "and six months have passed since the legal entry into force of the judicial act" from paragraph 2 of Part 5.

Article 2. After the word "contractual", sub-items "a", "b", "b", "d" and "e" of point 1, point "a", "b" and point 2 of Article 4, part 1 of the Law with the words "or conscription".

Article 3. To supplement part 1 of Article 9 of the Law with the following content, point 5:

"5) are considered the base for calculating the stamp duty:

a. For individual entrepreneurs and natural persons who are not notaries, the salary and other payments equivalent to it and (or) according to civil law contracts, the income for the performance of works (rendering of services),

b. the sales turnover reflected in the turnover tax calculations submitted for the reporting period of the stamp duty calculation for individual entrepreneurs and notaries operating in the turnover tax system,

c. for individual entrepreneurs operating in the micro-business system, the sales turnover reflected in the report on the sales turnover of the micro-business entity,

d. the gross income reflected in the calculation of profit tax for individual entrepreneurs and notaries operating in the general taxation system,

e. In the case of operating in more than one taxation system during the reporting year, the sum of the relevant calculation bases specified in this point."

Article 4. In Article 11 of the Law:

1) remove the words "except for individual entrepreneurs who are self-employed persons defined by the Law of the Republic of Armenia "On Tax Privileges of Self-Employed Persons" from Clause 3 of Part 1;

2) to replace the words "circumstances defined by part 2 of Article 15" in point 2 of part 2 with the words "bases for calculating the stamp duty defined by point 5 of part 1 of article 9";

3) After the word "salary" in Part 3, add the words "and other payments equivalent to it".

4) Write the 5th part in the following edition.

"5. The parent, spouse and/or child(ren) of a serviceman who is in compulsory military service or who died (deceased) have the right to apply for full or partial refund of the stamp duty they paid (deducted from their income by the tax agent). According to this part, the procedure for refunding the stamp duty shall be determined by the government.

5) Sections 6-8 are repealed.

Article 5. Article 12 of the Law shall be drafted as follows:

"1. Part 1 of Article 11 of this Law for each reporting period

1) Individuals mentioned in points 1, 2, 5 and 6 pay the stamp duty at the following rates:

Up to 100,000 drams in the case of a calculation base	1500 drams
From 100,001 to 200,000 drams in the case of a calculation base	3000 drams
From 200,001 to 500,000 drams in the case of a calculation base	5500 drams
From 500,001 to 1,000,000 drams in the case of a calculation base	8500 drams
1,000,001 drams and more in the case of a calculation base	15,000 drams

2) Individual entrepreneurs and notaries mentioned in points 3 and 4 pay the stamp duty at the following rates:

Up to 1,200,000 drams in the case of a calculation base	18,000 drams
From 1,200,001 to 2,400,000 drams in the case of a calculation base	36,000 drams
From 2,400,001 to 6,000,000 drams in the case of a calculation base	66,000 drams
From 6,000,001 to 12,000,000 drams in the case of a calculation base	102,000 drams
12 000 001 drams and more in case of calculation base	180,000 drams."

Article 6. In Article 14 of the Law:

1) in Part 1, replace the words "the number of employees to whom incomes were accrued (paid) in a given month" with "the salary accrued to wage workers and the payments equal to it and (or) the incomes paid to individuals for the provision of services (performance of works) under civil law contracts" in words.

2) to replace the words "number of employees" in part 4 with the words "income paid to individuals for the provision of services (performance of works) under civil law contracts and the wages accrued to hired workers and payments equal to it."

Article 7. In Article 15 of the Law:

1) Write part 2 in the following edition:

"2. Individuals paying stamp duty independently, specified in clauses 3 and 4, part 1 of Article 11 of this law, shall pay the stamp duty up to and including April 20 of the year following the reporting period, based on the income tax calculation submitted for each reporting period. , and the fact that individual entrepreneurs who are considered micro-entrepreneurs have income reflected in the report on the sales turnover of the micro-entrepreneur.

Individual entrepreneurs and notaries operating in the turnover tax system take as a basis for paying the stamp duty the fact that profit tax has been calculated for those types of activities in the calculation of profit tax.

2) Write the 2nd part in the following edition.

"2. Individuals paying stamp duty independently, specified in clauses 3 and 4, part 1 of Article 11 of this law, shall pay stamp duty up to and including April 20 of the year following the given accounting period, taking as a basis for each accounting period Article 9 of this law The bases for calculating the stamp duty defined by point 5 of part 1 of the article.

Article 8: Replace the number "0.5" with the number "2" in part 2 of Article 21 of the Law.

Article 9. Parts 2-4 of Article 24 of the Law shall be drafted as follows:

"2. The Council consists of 7 members. Council members are appointed (elected) for a period of five years.

3. In the event of a vacancy among the members of the Council, a new member is appointed by a decision of the Council adopted by the majority of the members' votes.

4. A person with at least five years of professional work experience in the fields of management and finance, who is also respected by society and has an impeccable reputation, can be appointed a member of the Council. Council members are obliged to exercise political restraint while carrying out their activities."

Article 10. Part 1 of Article 31 of the Law shall be drafted as follows.

"1. The proper operation of the Fund is ensured by the Central Bank by financing the Fund's activities in the amounts approved by the Board of the Central Bank.

Article 11. Final part and transitional provisions

1. This law shall enter into force on the day following its official publication and shall apply to relations arising from September 27, 2020, except for the cases specified in this article.

2. The provisions of Article 3, Article 4, Clauses 2, 3, 4, and 5, Article 5, Article 6, and Article 7, Clause 2 of this law shall apply. are on stamp duty payable for accounting periods beginning on or after 1 January 2021.

3. The provisions of Clause 1 of Article 4 and Clause 1 of Article 7 of this law shall apply to relationships that arose after January 1, 2020.

4. Article 8 of this law shall enter into force on January 1, 2022.

5. Article 10 of this law also applies to actions (originated or existing relations) carried out from December 1, 2020 and is valid until January 1, 2022.

6. After the entry into force of this law, by February 1, 2021, the Government shall establish the procedure for the return of stamp duty, which shall also regulate the return of stamp duty paid in 2020.

7. Ten days after the entry into force of this law, the powers of the current board of trustees of the fund, appointed before July 1, 2020, shall be considered terminated. After the entry into force of the law, the

Central Bank is obliged to appoint at least five new members of the Council, who will take over the powers from the moment of the termination of the powers of the current members of the Council.

PRESIDENT OF THE REPUBLIC OF ARMENIA

: A. SARGSYAN

30.12.2020

Yerevan

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