



Law Alert with pressing  
deadline,  
February 2022

EY Law ranked as a leading firm providing legal services in Armenia by Legal500 Ranking and IFLR1000 Ranking 2020.

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## Facts

On 3 June 2021, the National Assembly of the Republic of Armenia ratified the package of amendments to the RA Law “On state registration of legal entities, state registration of subdivisions of legal entities, institutions and sole entrepreneurs” and to the related legal acts, which expand the scope of legal entities who must submit a declaration on the real beneficiary. The introduced amendments set the deadlines and procedure for submitting the required declaration.

According to these amendments, **all commercial organizations registered in the territory of the Republic of Armenia need to submit declarations within the period from 1 January 2022 to 1 March 2022**, except for limited liability companies in which 100% of participants are individuals.

According to the RA Law “On anti-money laundering and counter-terrorism financing”, **the real beneficiary of a legal entity is an individual who:**

1. directly or indirectly owns 20 percent or more of the voting shares (stocks and units) of the given legal entity or directly or indirectly has 20 percent or more participation in the charter capital of the legal entity;
2. exercises real (factual) control over the given legal entity by other means;
3. is an official person who carries out the general or current management of the activity of the given legal entity in case there is no individual meeting the requirements of clauses "a" and "b" hereby.

Legal entities must submit the real beneficiary declaration and provide future changes in the declaration electronically to the Agency for State Register of Legal Entities of the Ministry of Justice (“Agency”). Submission of the declaration shall be made through the website of the entity at [bo.e-register.am](https://bo.e-register.am).

After the first declaration is submitted, the legal entity shall submit to the Agency the following by 20 February of each year:

1. confirmation that the information on real beneficiaries submitted to the Agency in the last declaration is accurate as of 31 December of the previous year, or
2. changes to the information on the real beneficiaries of the legal entity. In case the data on real beneficiaries change, they must be declared immediately after being revealed to the legal entity, but not later than 40 days after being changed.

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## Who’s affected?

**All commercial organizations** registered in the territory of the Republic of Armenia, except for limited liability companies in which 100% of participants are individuals.

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## What’s the liability?

Failure to provide the above information in the prescribed form and within the above deadlines, as well as unintentionally providing information that is incorrect, entails administrative liability with a **warning or a fine of up to AMD 100,000**.

Deliberate concealment of information on real beneficiaries, as well as provision of deliberately false information, may constitute **criminal liability**.

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## How we can help?

We can provide advisory services in relation to identification of the real beneficiaries of legal entities, as well as assist with the preparation and submission of declarations to the Agency.

For more information, contact the authors of this publication:

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ED None.

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