



Tax Alert, February 2022

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

Facts

On 18 January 2022, the National Assembly of the Republic of Armenia ratified the Law on Non-Cash Transactions (the “Law”) in the second and final reading. The Law was signed by the Acting President of the Republic of Armenia on 8 February 2022.

Starting from 1 July 2022, all payments in the territory of the Republic of Armenia shall be made on a non-cash basis, with the exception of the following list of payments:

The Law prescribes that the place of provision of electronic services* is considered:

1. Transactions between individuals and legal entities/sole entrepreneurs that do not exceed AMD 300,000, with the exception of fees for attorney services, as well as all consulting services (accounting, auditing, legal, financial, information technologies, and other consulting) and for carrying out notarial acts or services provided by a notary, as well as public fees for notarial services.
2. Payments made by foreign citizens and individuals without citizenship in the territory of the Republic of Armenia for the acquisition of goods based on VAT refund tax invoices issued in accordance with the procedure for retail trade.
3. Acceptance and pay-outs of deposits (including interest) by banks, unless stipulated otherwise by the Republic of Armenia Civil Code or contracts. Settlement (repayment) of loans provided by banks and credit organizations, unless stipulated otherwise by the Republic of Armenia Civil Code or contracts.
4. Loans provided by pawnshops that do not exceed AMD 80,000 starting from 1 July 2022, AMD 50,000 starting from 1 January 2023, and AMD 20,000 starting from 1 January 2024.
5. Any payments between individuals until 1 July 2023, with the exception of those transactions that require state registration of rights, for which an AMD 500,000 cap is applied, and the provision/repayment of borrowings, for which a cap of AMD 300,000 is applied.
6. Any payment between individuals exceeding AMD 300,000 starting 1 July 2023.
7. Salary payments, payments for healthcare services, tuition fees, scholarships, representative expenses, business trip expenses, state procurements until 1 July 2023 in the territory of Armenia except Yerevan and until 1 July 2024 in the

territory of Armenia except Yerevan and the administrative centers of the Republic of Armenia marzes.

8. Other laws may define other limitations or exceptions from this Law.

Who's affected?

- ▶ Sole entrepreneurs
- ▶ Notaries
- ▶ Attorneys
- ▶ Legal entities
- ▶ State authorities
- ▶ How can we help?

How we can help?

We can provide advisory services and conduct research on a specific economic sector, given that limitations and exceptions may apply because of specific laws that override the general rules.

For more information, contact the author of this publication:

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ED None.

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