HOW TO ACCESS THE UNIFIED SYSTEM OF ELECTRONIC SERVICES FOR INDIVIDUALS, FILL IN AND SUBMIT THE ANNUAL TAX RETURN (DECLARATION), IF YOU ARE

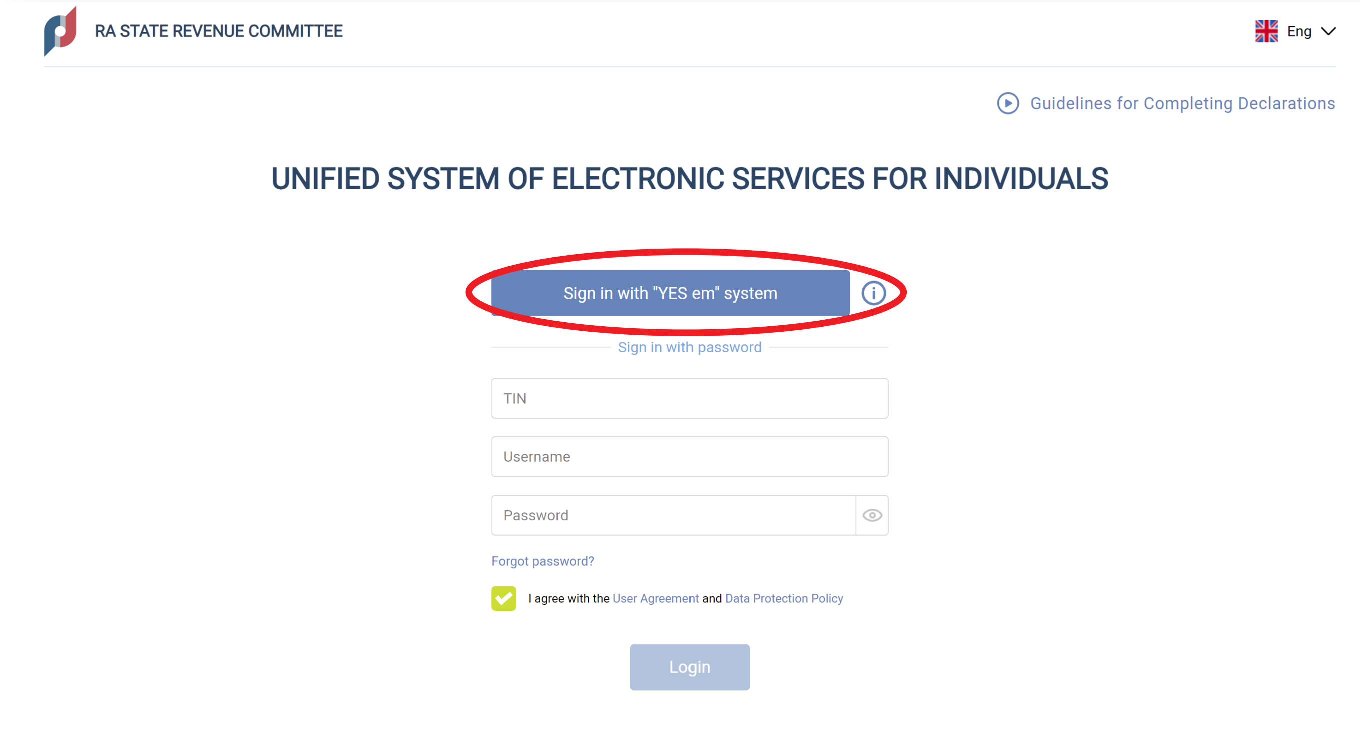
A RA CITIZEN

1. LOGGING INTO THE ELECTRONIC SYSTEM

If you are Armenian citizen (resident, non-resident) to submit the annual Tax return (Declaration) to the tax authority, you should log in to the ***Unified System of Electronic Services for Individuals*** via the following link: [***https://self-portal.taxservice.am/***](https://self-portal.taxservice.am/)

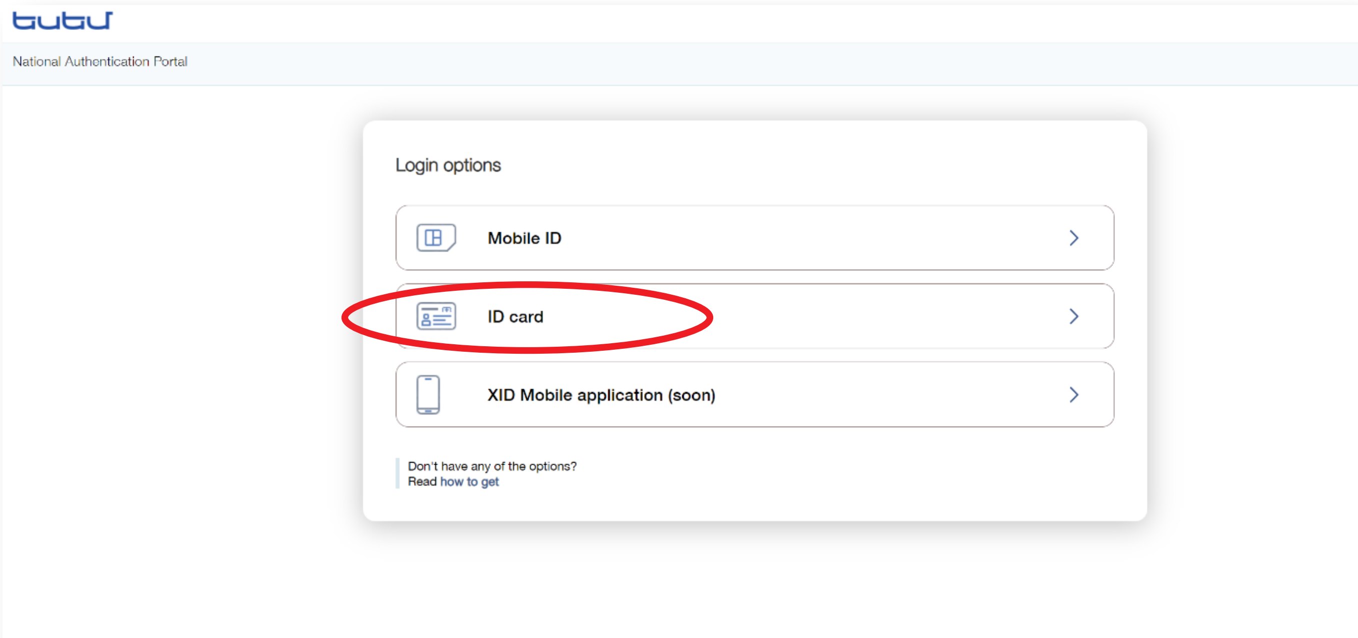
Step 1

→ You should tick the box to accept the **User agreement and Data Protection Policy** and click on **Sign inwith "YES em" system** button.

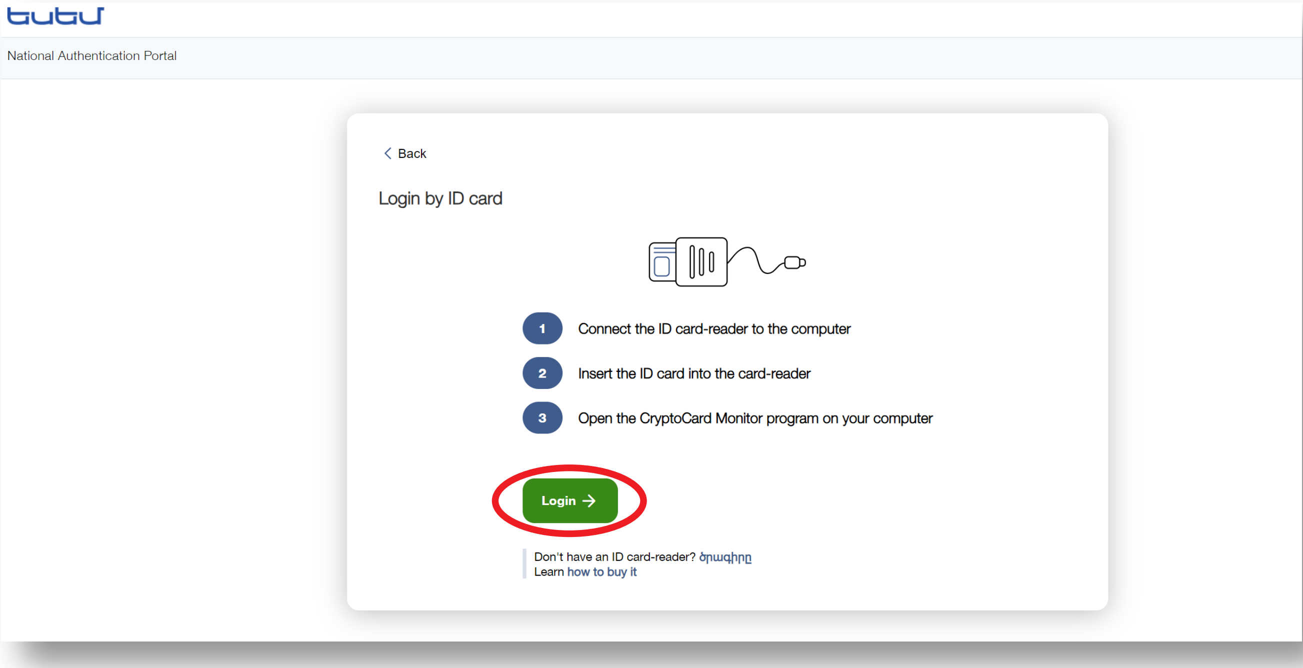


→ Choose one of the options of login.

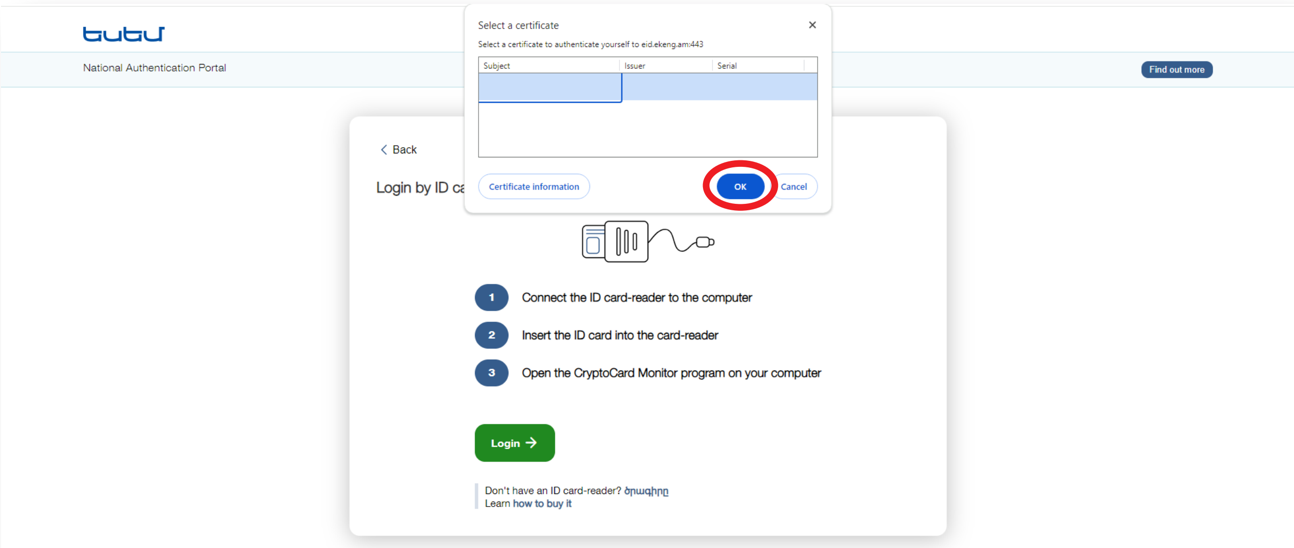
OPTION 1 (identification card)



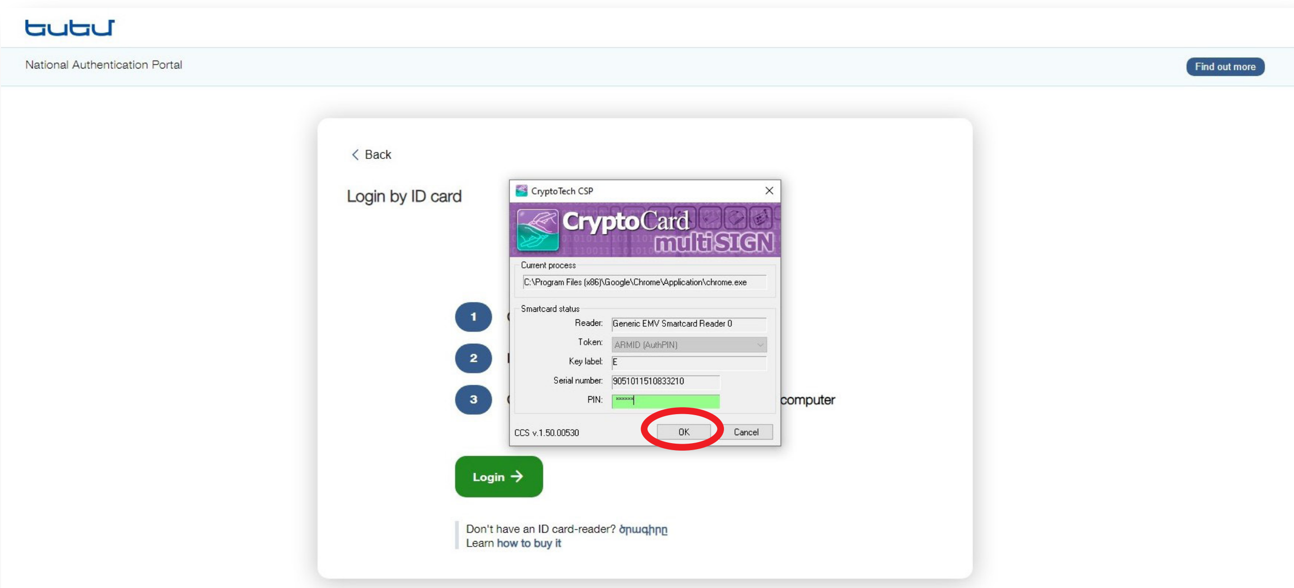
→ Insert the ID card into the reader and click on **Login.**



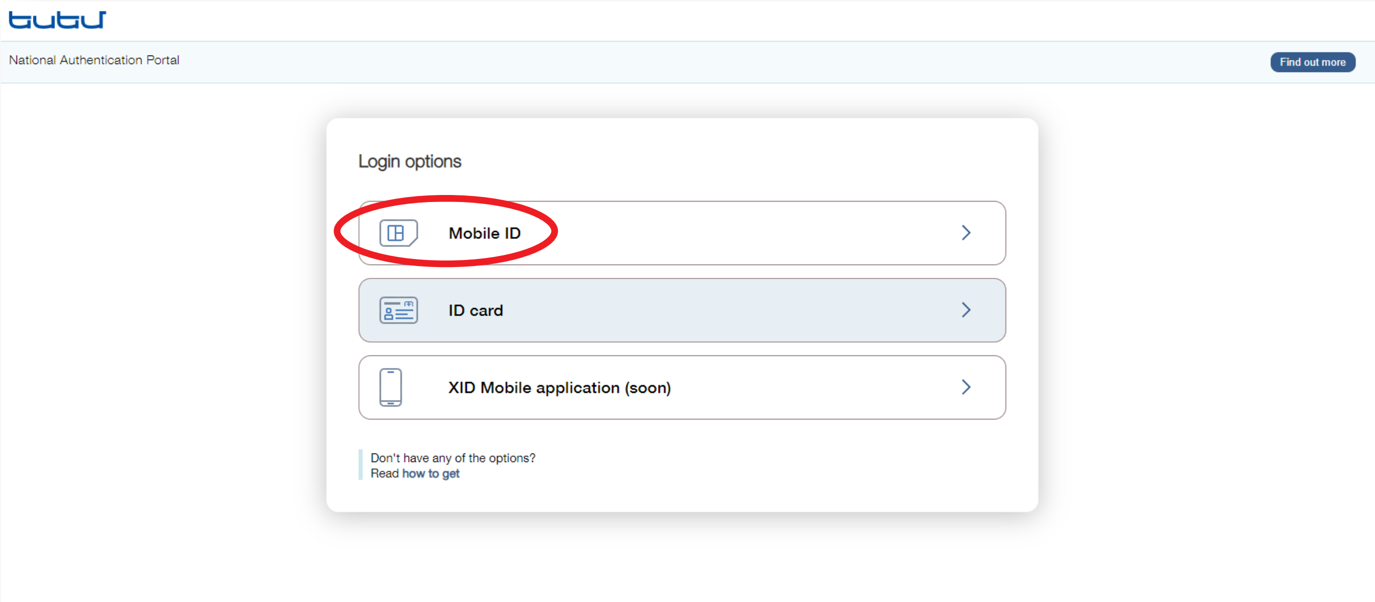
→ Click on **OK** to confirm your E-signature Certificate.



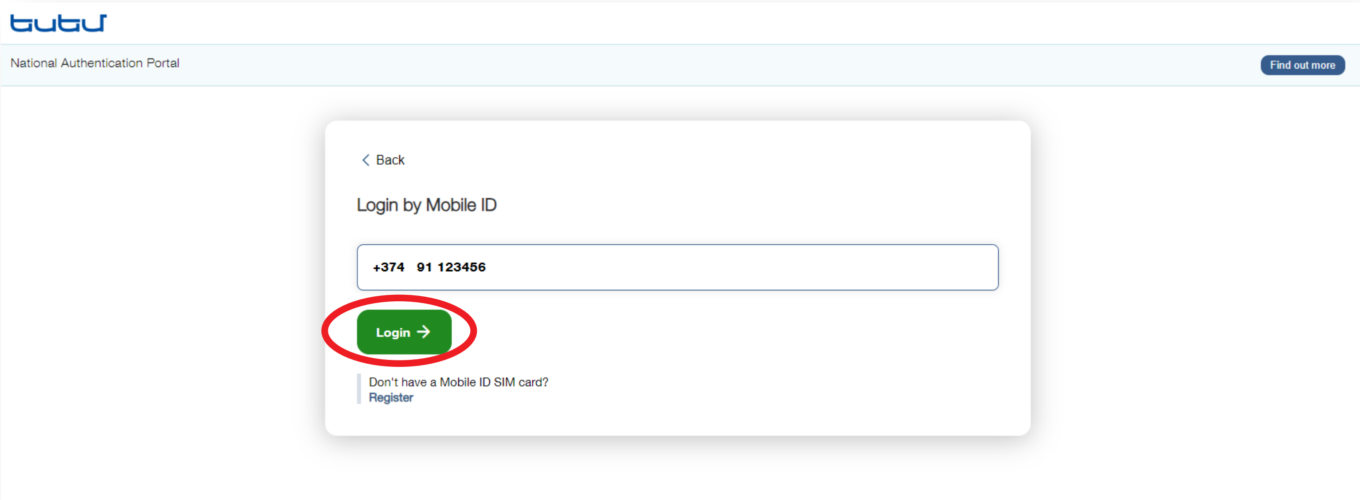
→ Type in your **PIN** and click **OK**.



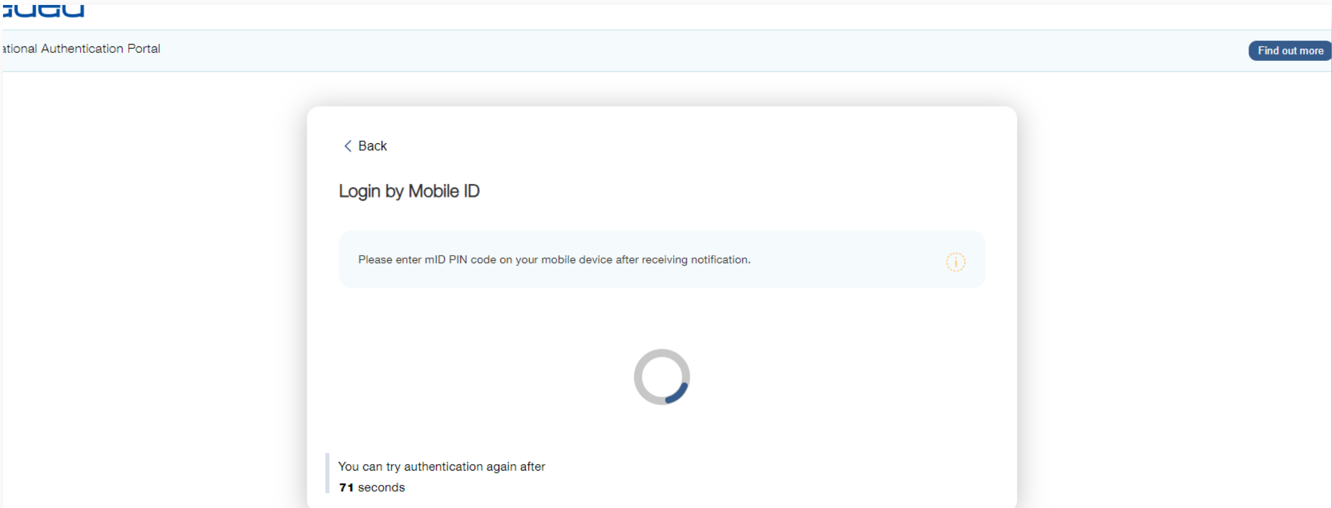
OPTION 2 (mobile identification card - mID)



→ Type in your phone number (without 0) and click on **Login**.



→ After this window pops up, type in your mID PIN in your mobile phone.

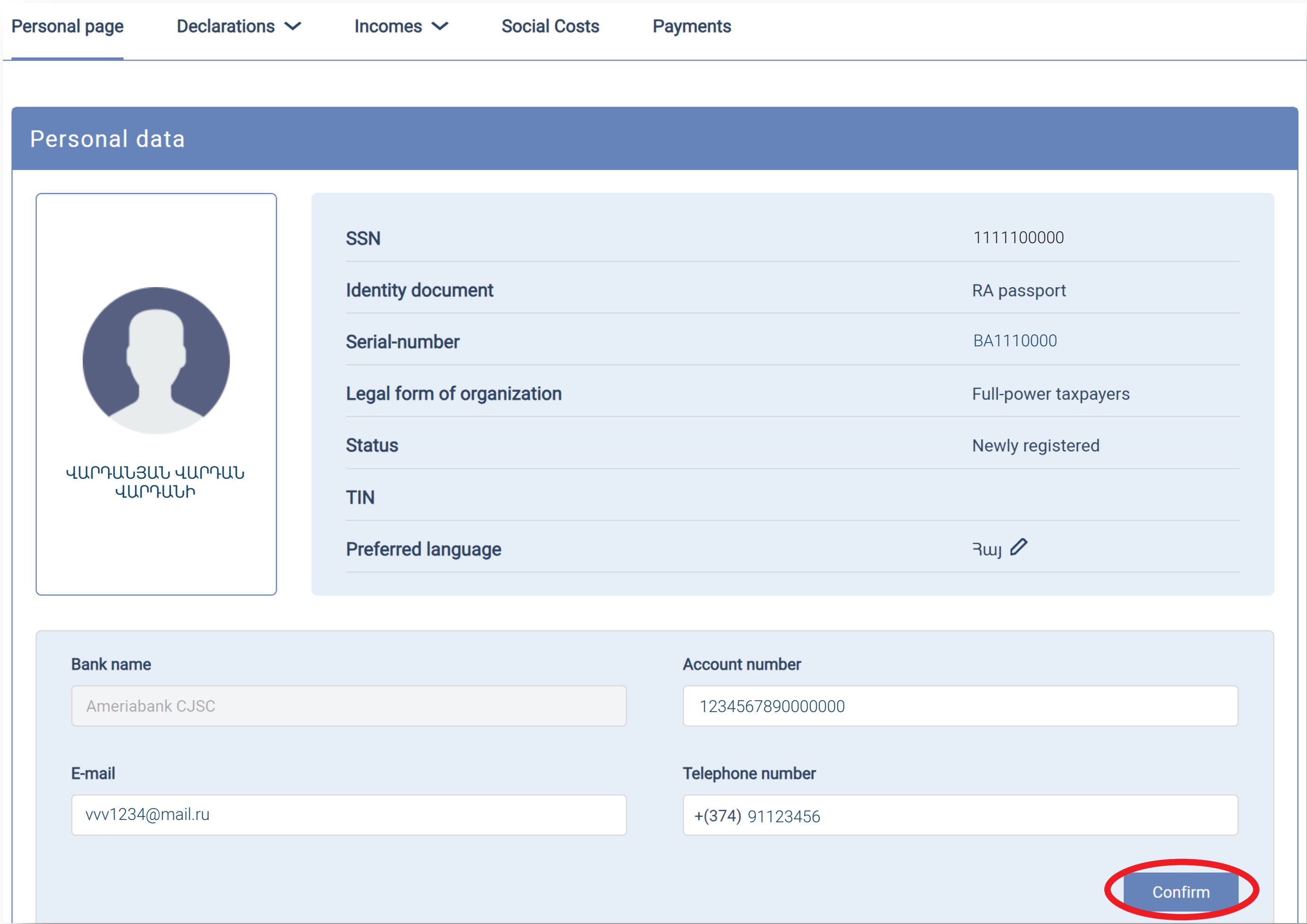


Step 2

After logging into the system, go to **Personal page**.

Step 3

Type in your bank account, email, and phone number, as shown in the image, and click on **Confirm**.

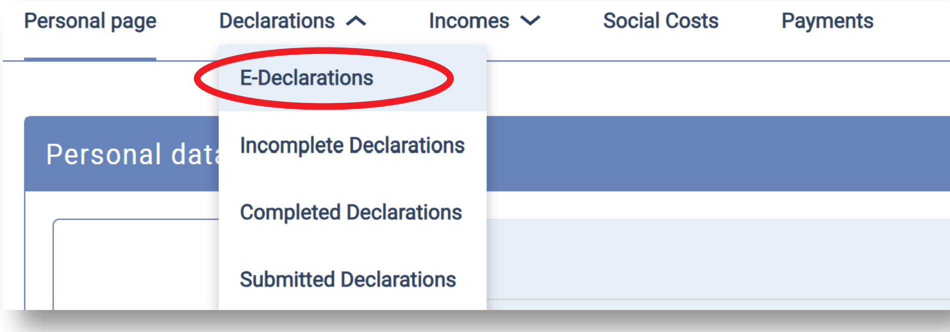


2. HOW TO FILL IN THE ANNUAL TAX RETURN (DECLARATION)

THE GENERAL PART OF THE TAX RETURN (DECLARATION)

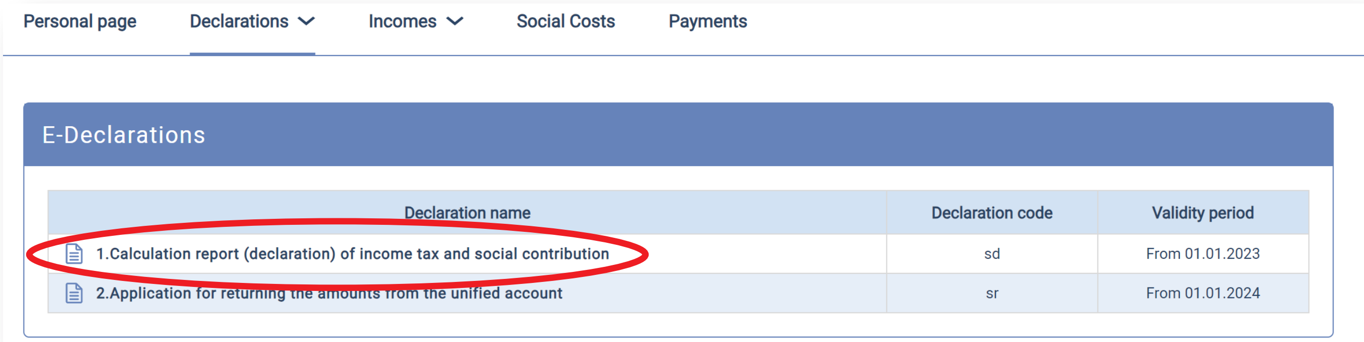
Step 4

Select **Declaration forms** from the **Declarations** section.



Step 5

Select the link **Income Tax and Social Contribution Return (Declaration)** from the **Declaration forms.**

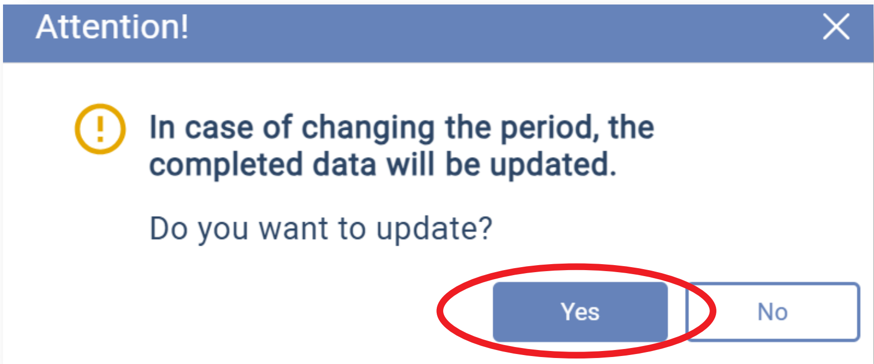


Step 6

Boxes 1 to 6 in the first section of the Return (Declaration) are filled in automatically. If Box 6 is not completed automatically, type in your phone number and select the reporting year.

Step 7

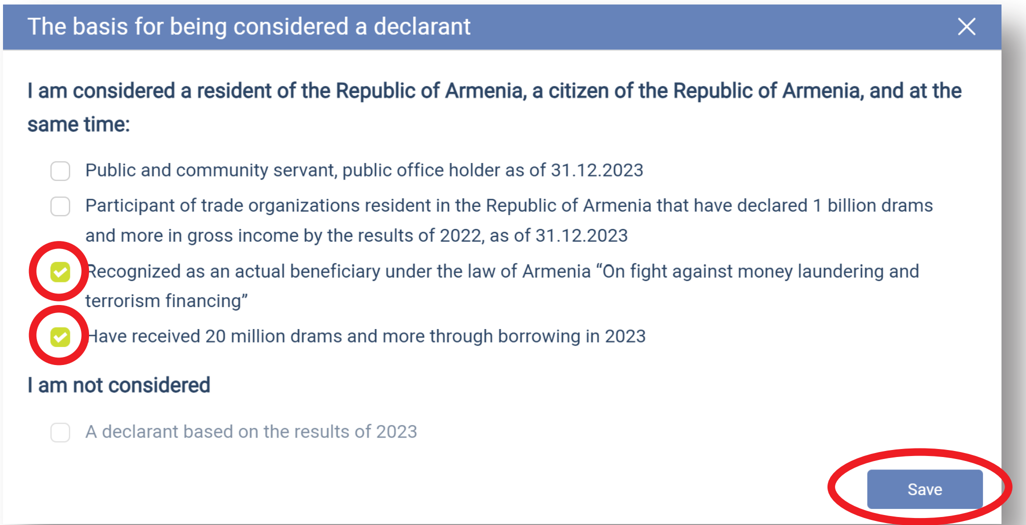
After selecting the reporting year, **Attention, please** window will pop up, and you should click on **Yes.**



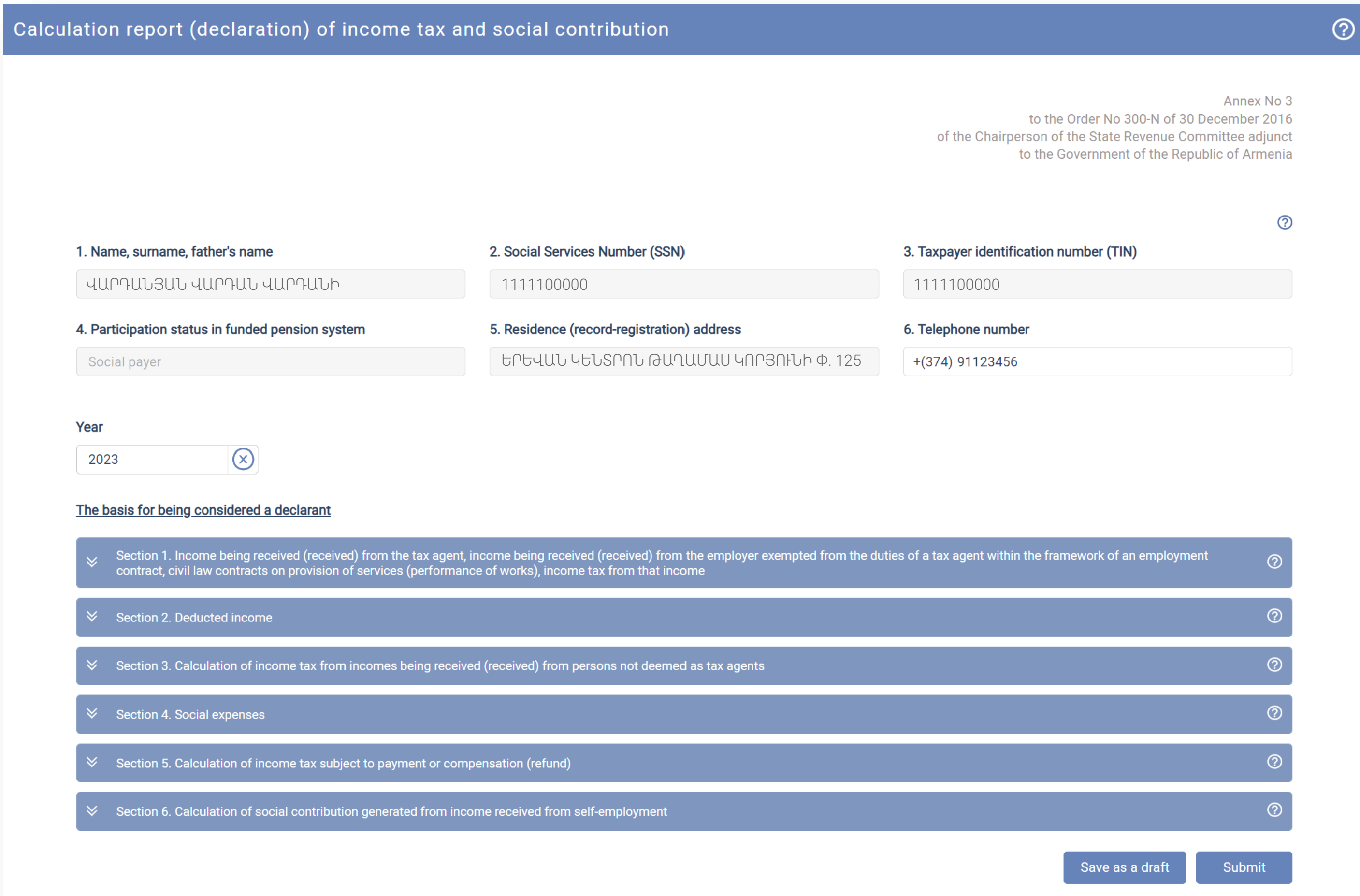
Step 8

Option 1.

→ If you are a declarant based on any of the first four grounds, tick the relevant box and click on **Save.**

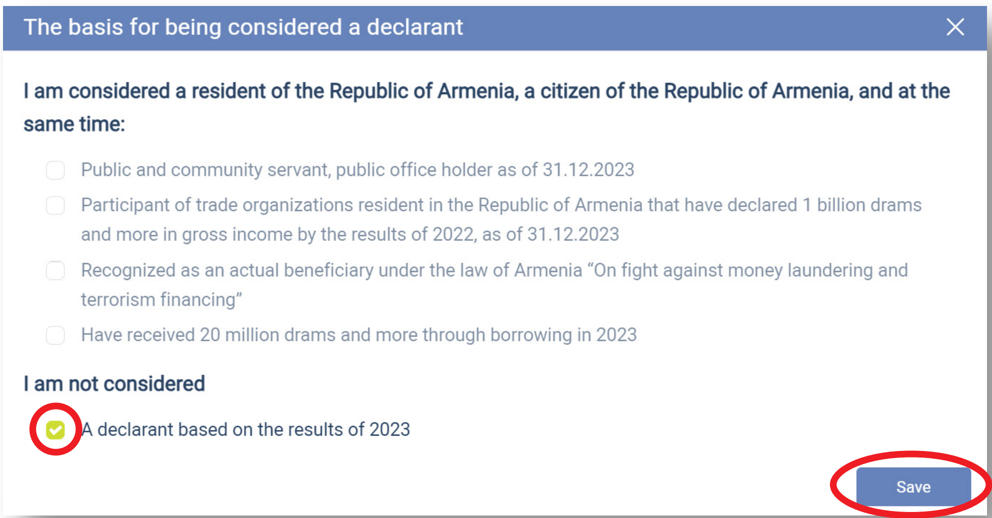


→ After clicking on **Save** button, the following sections will be displayed, with the process of completion explained below:



OPTION 2.

→ If you are not a declarant based on any of the first four grounds indicated below, but you have an obligation to calculate and pay the income tax autonomously, then tick the **Declarant as of 2023** box and click on **Save.**



→ After clicking on the **Save** button, the following sections will be displayed, with the procedure of completion thereof explained below.

Calculation report (declaration) of income tax and social contribution

Annex No 3
to the Order No 300-N of 30 December 2016
of the Chairperson of the State Revenue Committee adjunct
to the Government of the Republic of Armenia

1. Name, surname, father's name	2. Social Services Number (SSN)	3. Taxpayer identification number (TIN)
ՎԱՐԴԱՆՅԱՆ ՎԱՐԴԱՆ ՎԱՐԴԱՆԻ	1111100000	1111100000
4. Participation status in funded pension system	**5. Residence (record-registration) address**	**6. Telephone number**
Social payer	ԵՐԵՎԱՆ ԿԵՆՏՐՈՆ ԹԱՂԱՄԱՍ ԿՈՐՅՈՒՆԻ Փ. 125	+(374) 91123456

Year

2023

The basis for being considered a declarant

Section 1. Income being received (received) from the tax agent, income being received (received) from the employer exempted from the duties of a tax agent within the framework of an employment contract, civil law contracts on provision of services (performance of works), income tax from that income

Section 2. Deducted income

Section 3. Calculation of income tax from incomes being received (received) from persons not deemed as tax agents

Section 4. Social expenses

Section 5. Calculation of income tax subject to payment or compensation (refund)

Section 6. Calculation of social contribution generated from income received from self-employment

Save as a draft

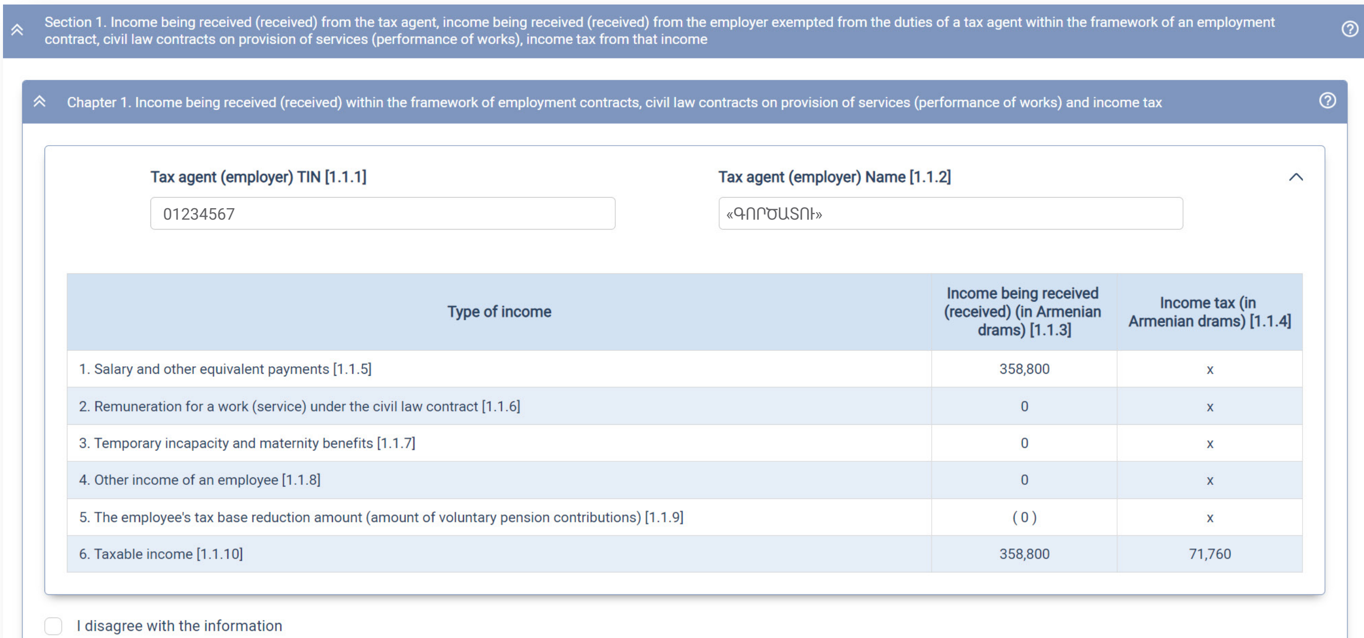
Submit

Step 9

SECTION 1, Chapter 1.

Income received (being received) from a tax agent, from an employer exempt from the obligations of a tax agent within the framework of civil employment contracts, service provision (performance of works) contracts and the income tax

→ Chapter 1 of Section 1 is filled in automatically, based on the data available at the SRC, which includes Simplified return data received by tax agents (employers), as well as furnished by yourself during the reporting year, disaggregated by all tax agents (employers) who have paid income to you.



Section 1. Income being received (received) from the tax agent, income being received (received) from the employer exempted from the duties of a tax agent within the framework of an employment contract, civil law contracts on provision of services (performance of works), income tax from that income

Chapter 1. Income being received (received) within the framework of employment contracts, civil law contracts on provision of services (performance of works) and income tax

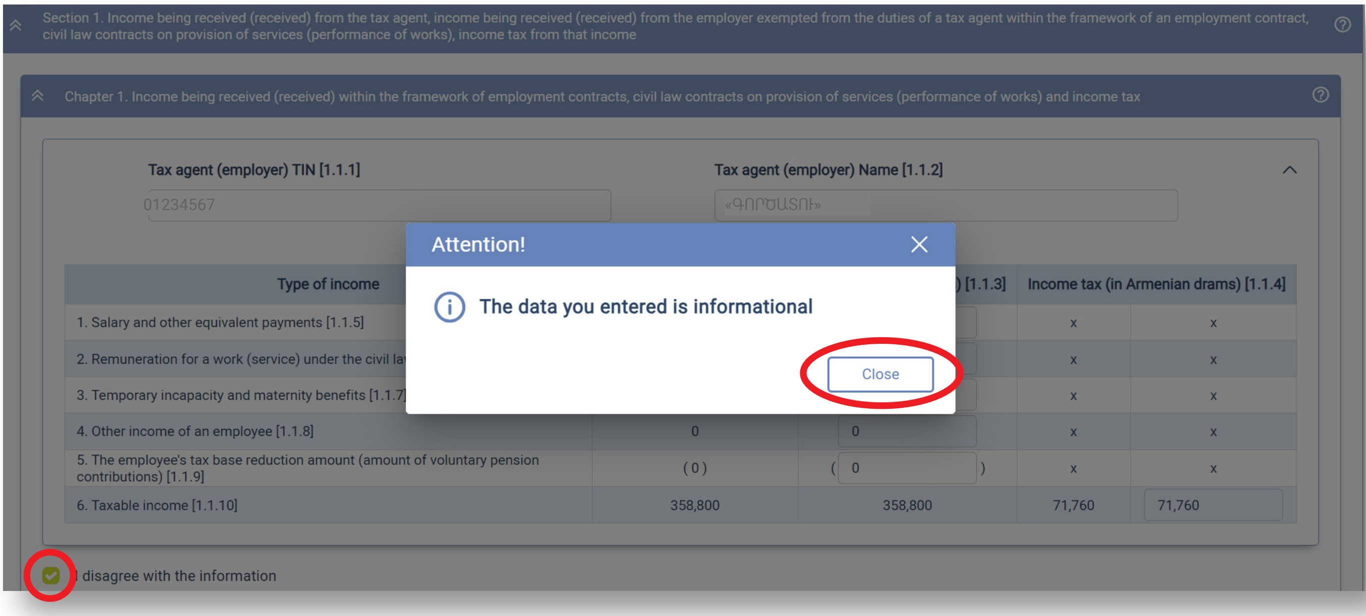
Tax agent (employer) TIN [1.1.1]	Tax agent (employer) Name [1.1.2]
01234567	«ԳՈՐԾԱՏՈՒ»

Type of income	Income being received (received) (in Armenian drams) [1.1.3]	Income tax (in Armenian drams) [1.1.4]
1. Salary and other equivalent payments [1.1.5]	358,800	x
2. Remuneration for a work (service) under the civil law contract [1.1.6]	0	x
3. Temporary incapacity and maternity benefits [1.1.7]	0	x
4. Other income of an employee [1.1.8]	0	x
5. The employee's tax base reduction amount (amount of voluntary pension contributions) [1.1.9]	(0)	x
6. Taxable income [1.1.10]	358,800	71,760

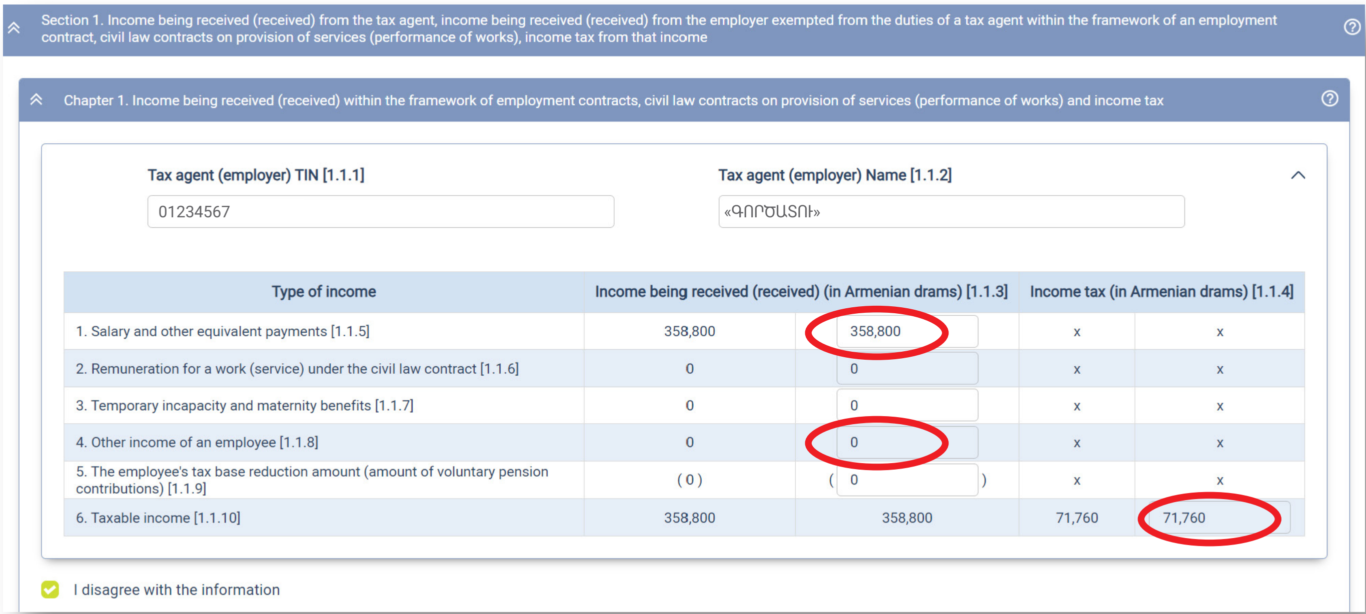
I disagree with the information

→ In case of disagreement with the data filled in automatically, you can fill in your version of the data by ticking ✅ **I disagree with the information** box.

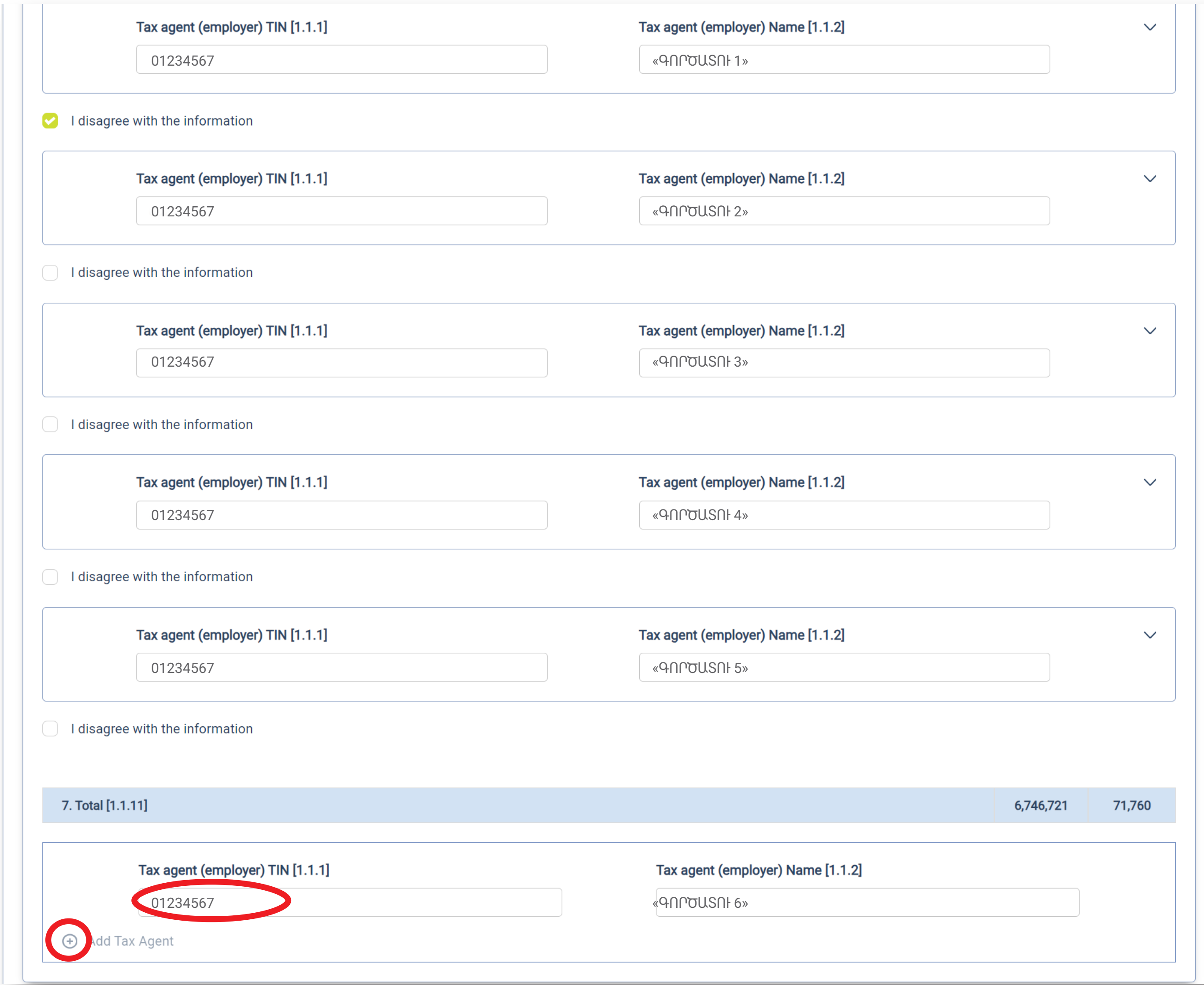
> **ATTENTION:** The data you have submitted will not serve as a basis for the calculation or recalculation of the income tax and will service exclusively informative purposes, regarding which, after ticking ✅ the box, relevant message will pop up. You should click on **Close**.



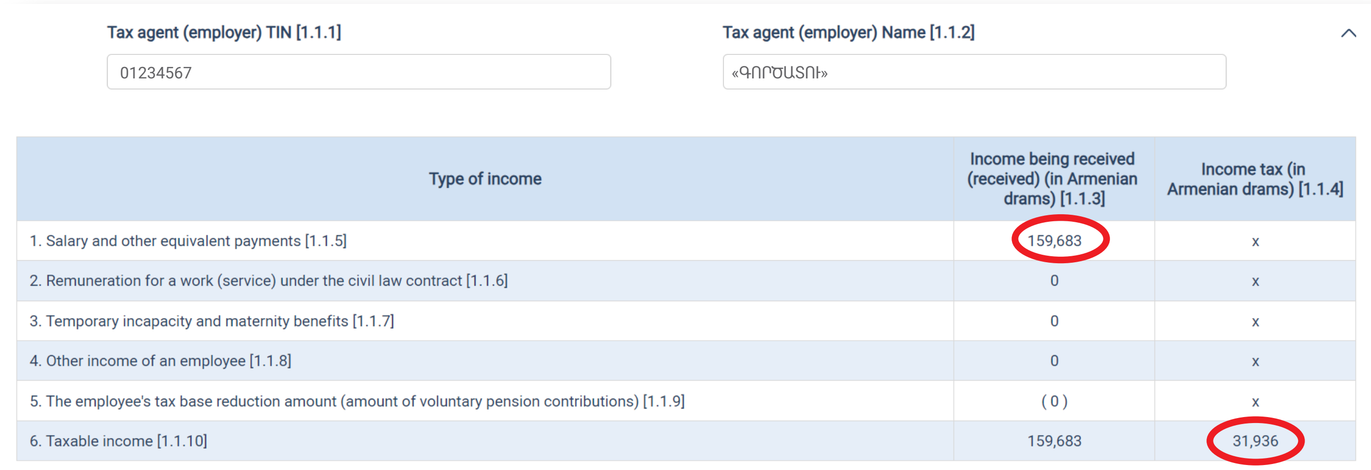
→ You can edit the data filled in automatically in the columns that appear after clicking on **Close**.



→ If the data of the tax agent (employer) who has paid you income are missing in this Chapter, you can add these data by typing in that **Tax agent's (employer) TIN** and clicking on **Add employer.**

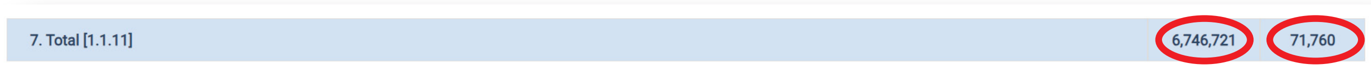

Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ 1»
I disagree with the information
Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ 2»
I disagree with the information
Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ 3»
I disagree with the information
Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ 4»
I disagree with the information
Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ 5»
I disagree with the information
7. Total [1.1.11] | 6,746,721 | 71,760
Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ 6»
Add Tax Agent

→ After clicking on **Add employer**, fill in respective amounts of income received and the tax.


Tax agent (employer) TIN [1.1.1] | Tax agent (employer) Name [1.1.2]
01234567 | «ԳՈՐԾԱՏՈՒ»

Type of income	Income being received (received) (in Armenian drams) [1.1.3]	Income tax (in Armenian drams) [1.1.4]
1. Salary and other equivalent payments [1.1.5]	159,683	x
2. Remuneration for a work (service) under the civil law contract [1.1.6]	0	x
3. Temporary incapacity and maternity benefits [1.1.7]	0	x
4. Other income of an employee [1.1.8]	0	x
5. The employee's tax base reduction amount (amount of voluntary pension contributions) [1.1.9]	(0)	x
6. Taxable income [1.1.10]	159,683	31,936

→ The **Total [1.1.11]** line reflects the sum of the income tax filled in automatically, as well as the amount of income tax, as you have filled in, that is of informative nature.


7. Total [1.1.11] | 6,746,721 | 71,760

SECTION 1, Chapter 2.

Other income received (being received) from a tax agent, and employer exempt from obligations of a tax agent and income tax

→ Chapter 2 of Section 1 is filled in automatically, according to the data available at SRC, which includes the data received from the tax agents (employers) by all tax agents (employers) who have paid income to you.

Chapter 1. Income being received (received) within the framework of employment contracts, civil law contracts on provision of services (performance of works) and income tax

Chapter 2. Other incomes and income tax

Type of income		of a tax agent TIN [1.2.1]	Name [1.2.2]	Income received (in Armenian drams) [1.2.3]	Income tax (in Armenian drams) [1.2.4]
1. Royalty	1.2.5				
2. Interest	1.2.6				
Deposit Interest					
Debt Securities Interest					
3. Rental	1.2.7	01234567	«ԳՈՐԾԱՏՈՒ 2»	492,000	49,200
		01234567	«ԳՈՐԾԱՏՈՒ 3»	3,281,638	328,163
		01234567	«ԳՈՐԾԱՏՈՒ 4»	780,000	78,000
		01234567	«ԳՈՐԾԱՏՈՒ 5»	7,800,000	780,000
4. Dividend	1.2.8				
5. Gifting	1.2.9				
6. Income from alienation of the property (except for the property indicated in point 7 of this Chapter)	1.2.10				
7. Income received from the alienation of a building, its apartments or other premises by a constructor	1.2.11				
8. Prize	1.2.12				
9. Award	1.2.13				
10. Insurance fee	1.2.14				
11. Voluntary pension	1.2.15				
12. Other incomes	1.2.16				
13. Total	1.2.17	x	x	x	1,235,363

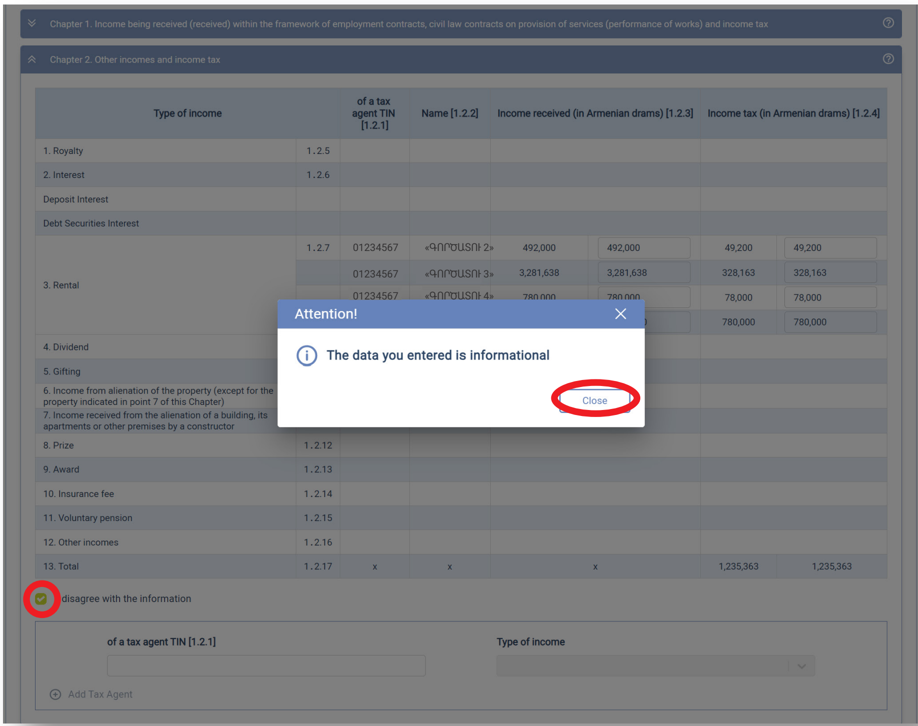
☐ I disagree with the information

of a tax agent TIN [1.2.1] | Type of income

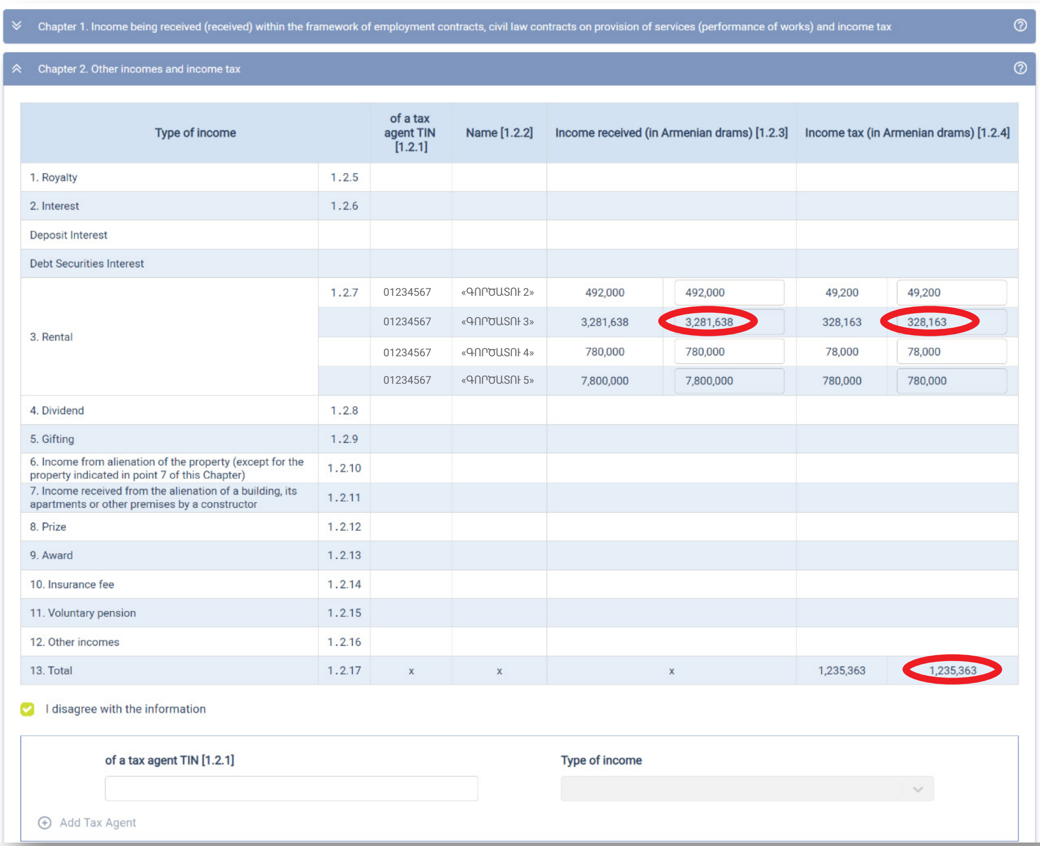
⊕ Add Tax Agent

→ In case of disagreement with the data filled in automatically, you can fill in your version of the data by ticking ✅ in the **I disagree with the information** box.

ATTENTION: Also, the data you have filled in this Chapter will not serve as a basis for calculation or recalculation of the income tax and will service exclusively informative purposes ***(except for deposit and debt security interests)***, regarding which, after ticking ✅, corresponding message will pop up. You need to click on **Close.**



→ You can edit automatically populated data in the columns that will appear after clicking on **Close,** and the sum of the income tax will be filled in automatically in the 2nd columns of Row **13. Total [1.2.17].**



→ If the data of the tax agent (employer) who has paid you income are missing from this Chapter too, or the type of income (***including from deposit or debt security interests***) paid by the tax agent (employer) populated automatically is missing, you can add such data.

To add the data, you should type in that **Tax agent's (employer's) TIN** and the **Type of Income** (you can select several types of income from the list by clicking the dropdown menu) paid by that tax agent, and then click on **Add employer.**

4. Dividend	1.2.8					
5. Gifting	1.2.9					
6. Income from alienation of the property (except for the property indicated in point 7 of this Chapter)	1.2.10					
7. Income received from the alienation of a building, its apartments or other premises by a constructor	1.2.11					
8. Prize	1.2.12					
9. Award	1.2.13					
10. Insurance fee	1.2.14					
11. Voluntary pension	1.2.15					
12. Other incomes	1.2.16					
13. Total	1.2.17	x	x	x	1,235,363	1,235,363

I disagree with the information

of a tax agent TIN [1.2.1]

01234565

Add Tax Agent

Type of income

property specified in point 7 of this Chapter)

Income received from the alienation of a building, its apartments or other premises by a constructor

Prize

Award

Insurance fee

Voluntary pension

Dividend

Gifting

Other incomes

Section 2. Deducted income

Section 3. Calculation of income tax from incomes being received (received) from persons not deemed as tax a

Section 4. Social expenses

Section 5. Calculation of income tax subject to payment or compensation (refund)

Section 6. Calculation of social contribution generated from income received from self-employment

→ Please type in the amounts of relevant income received and the tax in the fields displayed after clicking on **Add employer** (if erroneous data is filled in, you can delete the row by clicking on).

> **ATTENTION:** In case of populating the **Interest on deposit** raw, the amount of the income tax will be calculated automatically, and for the income received in other lines, you should fill in the amount of income yourself.

Type of income		of a tax agent TIN [1.2.1]	Name [1.2.2]	Income received (in Armenian drams) [1.2.3]		Income tax (in Armenian drams) [1.2.4]		
1. Royalty	1.2.5							
2. Interest	1.2.6							
Deposit Interest		01234567	«ԲԱՆԿ» ՓԲԸ	200,000		20,000		
Debt Securities Interest								
3. Rental	1.2.7	01234567	«ԳՈՐԾԱՏՈՒ 2»	492,000	492,000	49,200	49,200	
		01234567	«ԳՈՐԾԱՏՈՒ 3»	3,281,638	3,281,638	328,163	328,163	
		01234567	«ԳՈՐԾԱՏՈՒ 4»	780,000	780,000	78,000	78,000	
		01234567	«ԳՈՐԾԱՏՈՒ 5»	7,800,000	7,800,000	780,000	780,000	
4. Dividend	1.2.8	01234567	«ԲԱՆԿ» ՓԲԸ		3,200,000		320,000	
5. Gifting	1.2.9							
6. Income from alienation of the property (except for the property indicated in point 7 of this Chapter)	1.2.10							
7. Income received from the alienation of a building, its apartments or other premises by a constructor	1.2.11							
8. Prize	1.2.12							
9. Award	1.2.13							
10. Insurance fee	1.2.14							
11. Voluntary pension	1.2.15							
12. Other incomes	1.2.16							
13. Total	1.2.17	x	x	x		1,255,363	1,555,363	

→ Row **13. Total [1.2.17]** reflects the sum of the income tax filled in automatically, as well as the information populated by yourself, i.e., the amount of income tax which is for information.

13. Total	1.2.17	x	x	x	1,255,363	1,555,363

SECTION 2.
Deductible income

→ Deducted income you receive are populated in categories 1 to 25 according to each type of income received. To receive detailed information about each type of income, click on the link to relevant category: *[2.1-1] [2.1-2], [2.2], [2.3], [2.4], [2.5], [2.6], [2.7], [2.8], [2.9], [2.10-1], [2.10-2], [2.11], [2.12], [2.13], [2.14], [2.15], [2.16], [2.17], [2.18], [2.19], [2.20], [2.21], [2.22], [2.23], [2.24-1] [2.24-2], [2.24-3], [2.24-4], [2.24-5], [2.25],*

→ **26. Other deducted income [2.26]** is completed with the sum of ***other*** deductible income you receive. For detailed information regarding other deductible income click on the following links: *[2.26-1] [2.26-2]*,

→ **27. Total [2.27]** automatically reflects the sum of total deductible income.

Section 2. Deducted income

Type of deducted income	Income (in Armenian drams)
1. Benefits [2.1]	
2. Pensions [2.2]	
3. Insurance compensations [2.3]	
4. Amounts received from banks or credit organisations at the expense of insurance compensations [2.4]	
5. Additional funds of funded allocations received from State Budget [2.5]	
6. Social assistance [2.6]	
7. Alimonies [2.7]	
8. Incomes from donorship [2.8]	
9. Compensation payments of employees and persons performing volunteer work [2.9]	
10. Property received as a succession and (or) a gift [2.10]	
11. Gratuitously received income [2.11]	
12. Incomes from the alienation of property [2.12]	
13. Scholarships [2.13]	
14. Compensation of damage [2.14]	
15. Credits and loans [2.15]	
16. Prizes [2.16]	
17. Awards [2.17]	
18. Amounts compensated from the Deposit Guarantee Fund [2.18]	
19. Compensation of monetary deposits made in the USSR Savings Bank and ArmSSR Republican Bank [2.19]	
20. Fines accrued against the amounts to be refunded from the unified account [2.20]	
21. Incomes derived from the activity of carrying out transportations through one passenger taxi motor vehicle [2.21]	
22. Compensations received from an autonomous energy producer [2.22]	
23. Incomes derived from supply (sale) of agricultural products [2.23]	
24. Incomes from securities [2.24]	
25. Compensations derived from the compensation fund [2.25]	
26. Other deducted incomes [2.26]	
27. Total [2.27]	0

SECTION 3.
Income tax return on income received (being received) from non-tax agents

→ Rows 1 to 15 in point 1 are populated with information about income you have received from non-tax agents, by each type of income. For detailed information on each income type click on respective links: *[3.4], [3.5], [3.8], [3.9], [3.10], [3.11], [3.12-1], [3.12-2], [3.13], [3.14], [3.15], [3.16], [3.17], [3.18],*

→ **16) Other Income [3.19]** row is populated with the sum of ***other*** income you receive. For detailed information on other income click on the following links: *[3.19-1], [3.19-2], [3.19-3], [3.19-4], [3.19-5], [3.19-6],*

→ **2. Total income tax settled [3.20]** row is automatically populated by the sum of income tax settled based on the income reflected in Section 3,

→ **3. Amount of tax paid in other countries [3.21]** row is populated with tax withheld and paid from income of RA resident received in other countries,

→ **4. Accrued (deducted) part of tax paid in other countries [3.22]** row is populated with the amount of deductible tax paid in other countries,

→ **5. Income tax payable to the State Budget [3.23]** row is automatically populated by the income tax payable to the State Budget.

Section 3. Calculation of income tax from incomes being received (received) from persons not deemed as tax agents

Type of income	Income (Armenian drams) [3.1]	Rate [3.2]	Income tax (in Armenian drams) [3.3]
1. Incomes and income tax, including:			
(1) Income as stipulated in the employment contract [3.4]		X	X
(2) Income for performance of work (provision of service) under civil law contract [3.5]		X	X
(3) Tax base reduction amount (amount of voluntary pension contributions) [3.6]	( )	X	X
(4) Taxable income [3.7]	0	20%	0
(5) Royalty [3.8]		10%	
(6) Percent [3.9]		20%	
		10%	
(7) Rental [3.10]		10%	
(8) Amount exceeding AMD 60 mln of the rental [3.11]		10%	
(9) Dividend [3.12]		5%	
		10%	
(10) Income from the alienation of property (except for the income indicated in sub-point 11 of this point) [3.13]		10%	
(11) Income generated from the alienation of a building, its apartments or other premises by a constructor [3.14]		20%	
(12) Income generated from the alienation of participation in the authorised capital or capital (stock, share, unit) or generated from other securities proving investment [3.15]		10%	
(13) Award [3.16]		20%	
(14) Gifting [3.17]		20%	
(15) Passive incomes not paid during the 12- month period following the tax year of acquisition of the right to receive the incomes [3.18]		5%	
		10%	
		20%	
(16) Other incomes [3.19]		20%	
2. Total calculated income tax [3.20]	X	X	0
3. Amount of tax paid in other states [3.21]	X	X	
4. Offset part of the tax amount paid in other states [3.22]	X	X	( )
5. Income tax subject to payment to the State Budget [3.23]	X	X	0

SECTION 4.
Social contributions

→ **1. Healthcare [4.3]** row is automatically populated by social contributions (column ***[4.1]***) made for health in the reporting year, and the amount to be reimbursed from such expenses (column ***[4.2]***), which should not exceed AMD 50,0 thousand,

→ **2. Education [4.4]** row is automatically populated by the amount of social contributions (column ***[4.1]***) made for education in the reporting year and the amount to be reimbursed from such expenses column ***[4.2]***), which should not exceed AMD 100,0 thousand,

→ **3. Total [4.5]** row is automatically populated by the sum of total social contributions (***[4.3]+[4.4]***) made in the reporting year (column ***[4.1]***) and the sum to be reimbursed from such expenses (column ***[4.2]***), which should not exceed AMD 100,0 thousand.

Section 4. Social expenses

Sectors	Expense (Armenian drams) [4.1]	Compensation amount (Armenian drams) [4.2]
1. Healthcare [4.3]	(0)	(0)
2. Education [4.4]	(0)	(0)
3. Total [4.5]	(0)	(0)

SECTION 5.

Income tax return to be paid or reimbursed (refund)

→ **1. Income tax settled and paid from the income being received (received) from tax agents (employer)** Յարկային գործակալից (գործատուից) [5.2] row is automatically populated by the amount of income tax settled and paid from the income reflected in ***Section 1.***

→ **2. Reimbursement for the interests paid for mortgage servicing [5.3]** row is automatically populated by the full amount of reimbursement for the interests paid for servicing the mortgage you have received for the reporting year (four quarters),

→ **3. Reimbursement for tuition fee [5.4]** row is automatically populated by the full amount of reimbursement you have received for the reporting year,

→ **4. Reimbursement for the dividend invested in the statutory or equity capital [5.5]** row is automatically populated by the full amount reimbursed for the dividend you have received for the reporting year,

→ **5. Deductible income tax withheld by the tax agent [5.6]** row is automatically populated by the positive difference between the income tax paid by the tax agent and the reimbursed amounts you have received: ***[5.2] - [5.3] - [5.4] - [5.5]***,

→ **6. Sum of income tax payable in accordance with the annual return (declaration) and the deductible income tax [5.7]** row is automatically populated by the sum of the income tax payable to the State Budget as reflected in ***Section 3*** and the deductible income tax withheld by the tax agent: ***[5.5] + [3.23]***,

→ **7. Reimbursement for social expenses [5.8]** row is automatically populated by the amount reflected in "***3. Total [4.5]*** row in ***Section 4,***

→ **8. Income tax payable to the State Budget [5.9]** makes reference between the rows ***[5.7] - [5.8] - [5.6]***,

→ **9.Income tax reimbursable from the State Budget [5.10]** row is automatically populated by the negative difference between rows ***[5.7] - [5.8] - [5.6].***

Section 5. Calculation of income tax subject to payment or compensation (refund)

	Income tax (in Armenian drams) [5.1]
1. Income tax calculated and paid from incomes being received (received) from tax agent (employer) [5.2]	8,002,084
2. Compensation amount with regard to interest amounts paid for servicing of a mortgage loan [5.3]	(4,937,925)
3. Compensation amount with regard to tuition [5.4]	( )
4. Compensation amount with regard to dividend invested in the authorised or share capital [5.5]	( )
5. Income tax amount subject to deduction withheld by the tax agent [5.6]	3,064,159
6. Sum total of income tax subject to payment under the Annual Calculation Report (Declaration) and the income tax amount subject to deduction [5.7]	3,064,159
7. Compensation amount of social expenses [5.8]	(0)
8. Income tax subject to payment to the State Budget [5.9]	0
9. Income tax subject to compensation from the State Budget [5.10]	0

SECTION 6.

Return on social contribution from income from self-employment

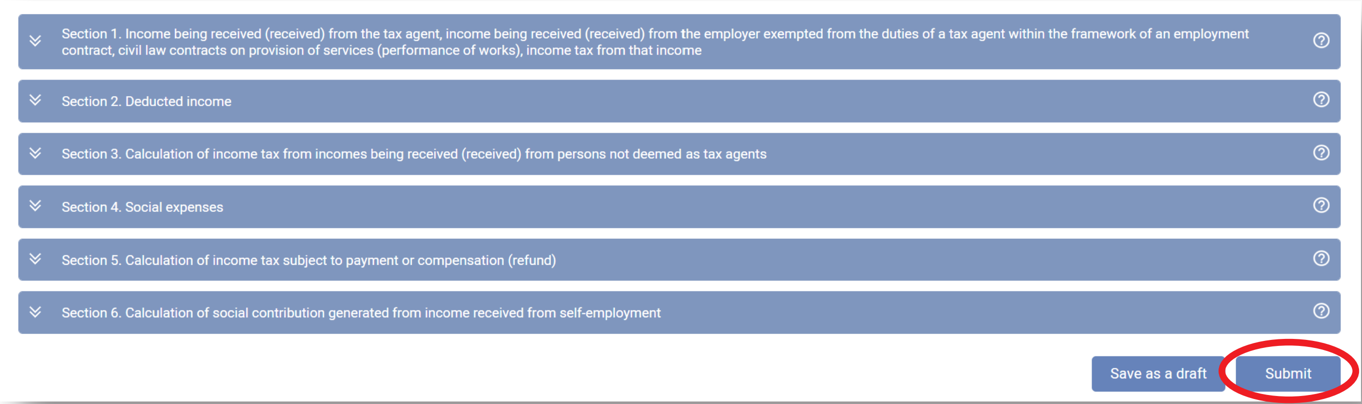
> ***Attention:*** ***Section 6*** *is completed only if you want to pay social contribution from the income received from your self-employment.*

→ **1. Income from self-employment [6.1]** row is populated by your income received from self-employment in the reporting year,

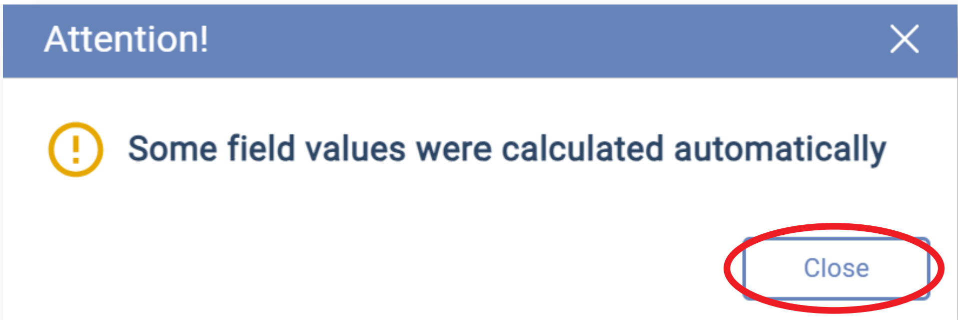
→ **3. Social contribution for the income received from self-employment [6.3]** row is automatically populated by the amount of social contribution settled: ***[6.1]x5%.***

Step 10

After completing all sections, you should click on **Submit.**



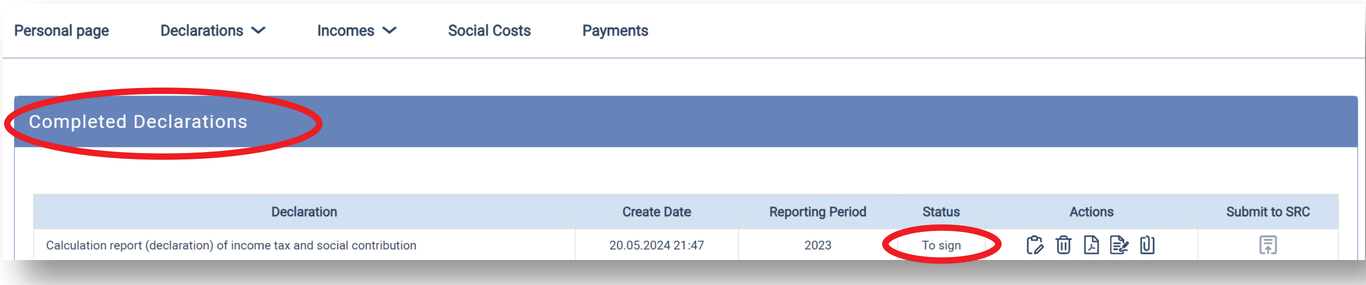
→ After clicking on **Submit** you will see the following message. Click on **Close.**



→ After clicking on **Close** again click on **Submit.**

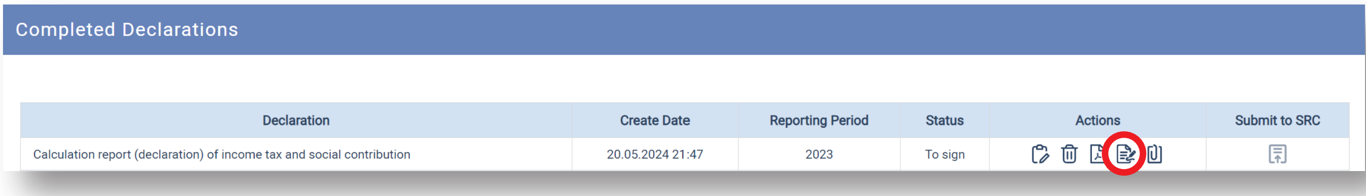
Step 11

After clicking on **Submit,** the page **Completed declaration** will pop up on the screen, where you need to sign the report and submit to the SRC.



Step 12

Click on to sign the report.

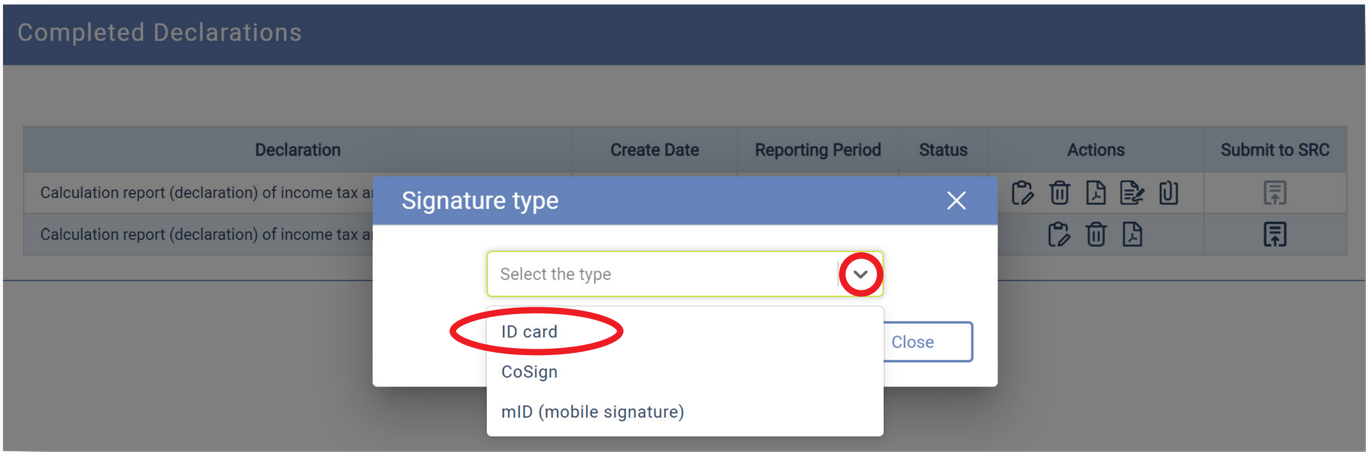


Step 13

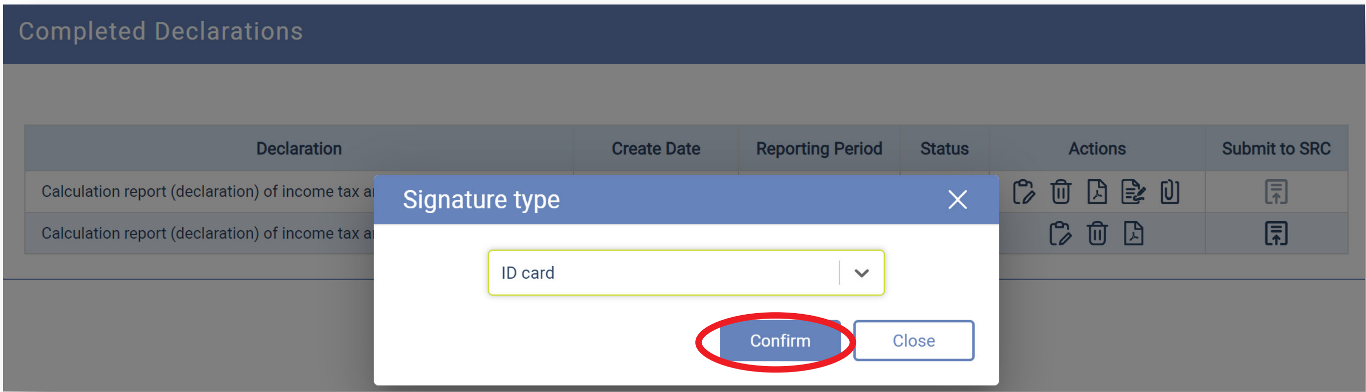
After clicking on for signing:

OPTION 1 (ID card)

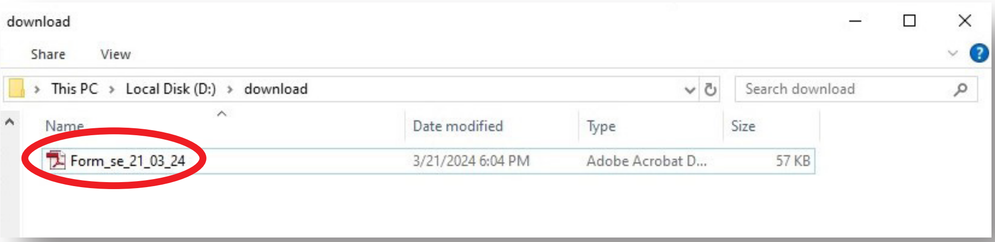
→ **Type of signature** message will pop up on the screen, after which you should click on and select **ID card.**



→ Click on **Verify**.

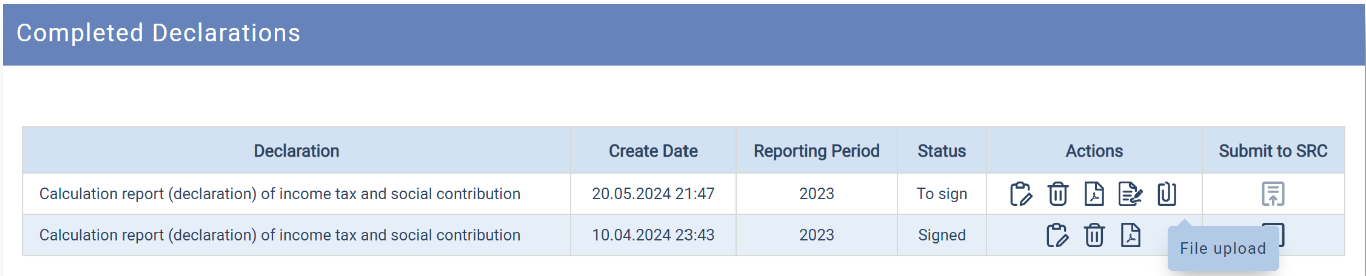


→ The completed report in ***PDF format*** will be downloaded to the ***download*** folder on your computer.

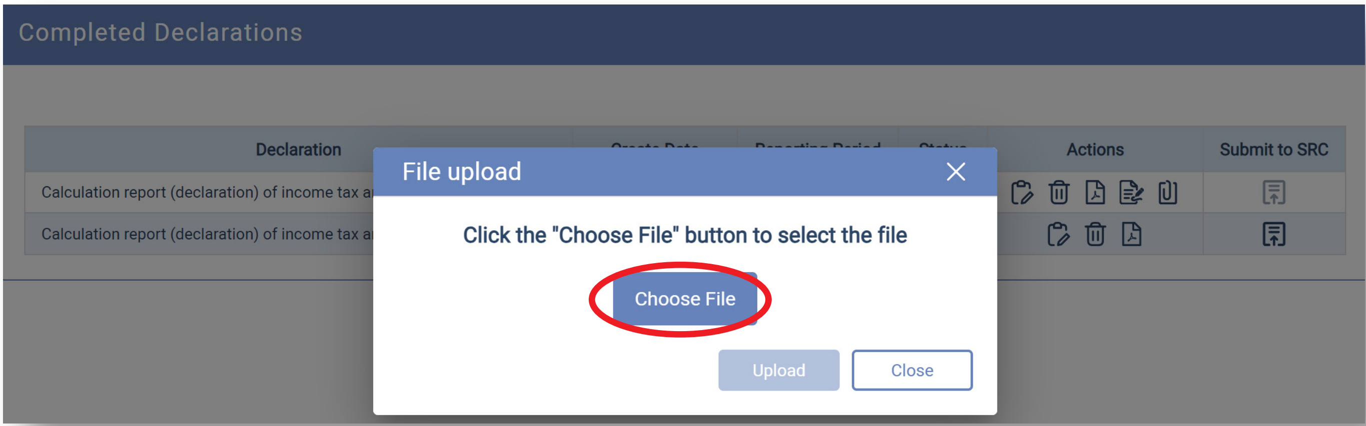


→ Sign the completed report (for information on how to sign the document with ***ID card*** *visit* ***https://www.ekeng.am/hy/sub/digital_signature***).

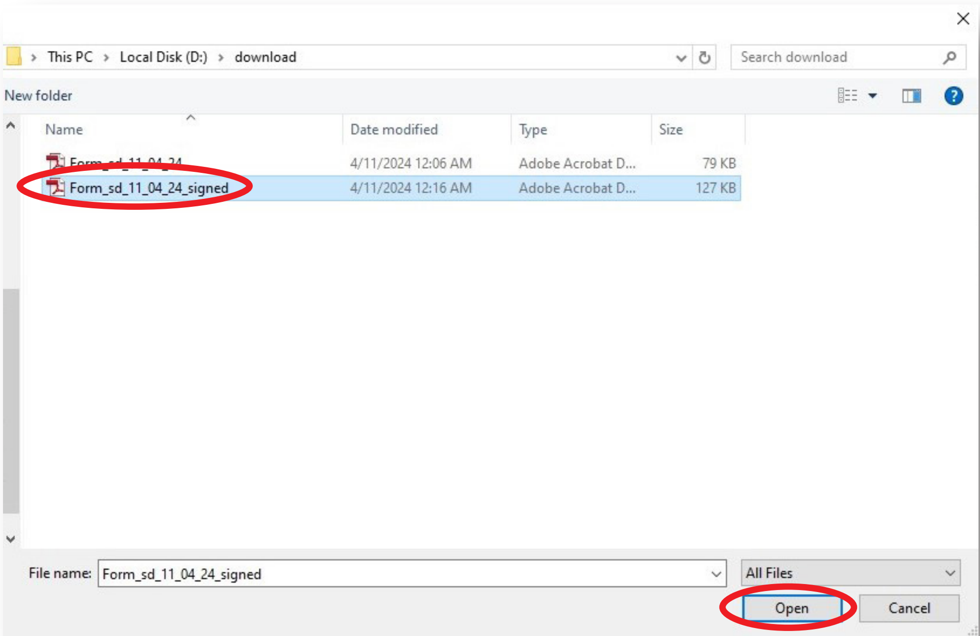
Then click on **Upload document** icon.



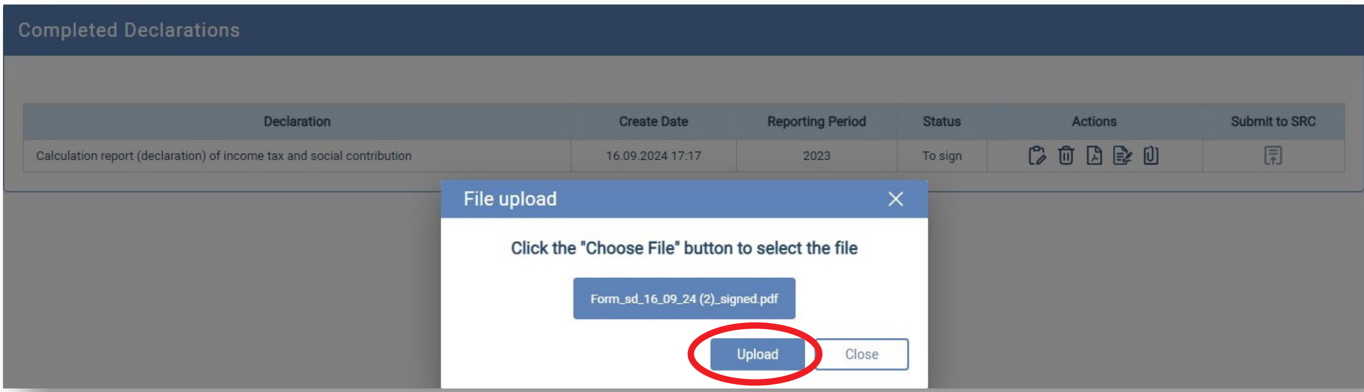
→ Click on **Choose File**.



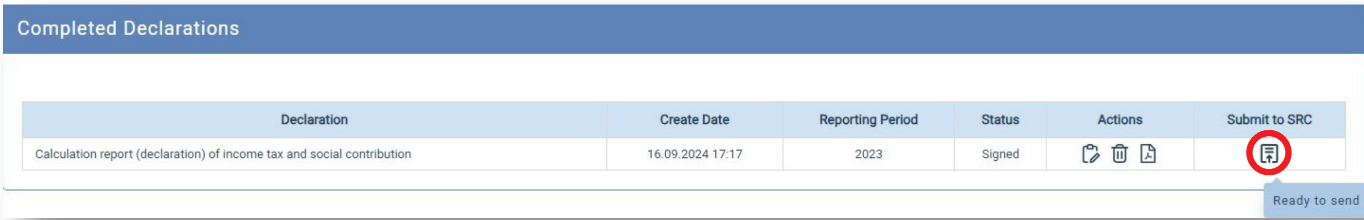
→ Select the signed report (**signed**) and click **Open.**



→ Click on **Upload.**

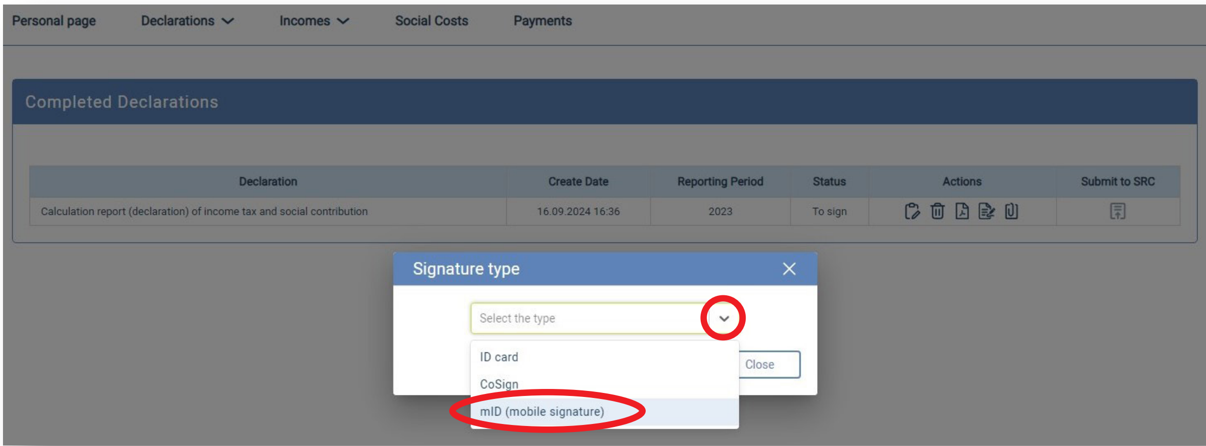


→ Click on **Submit to SRC** icon.

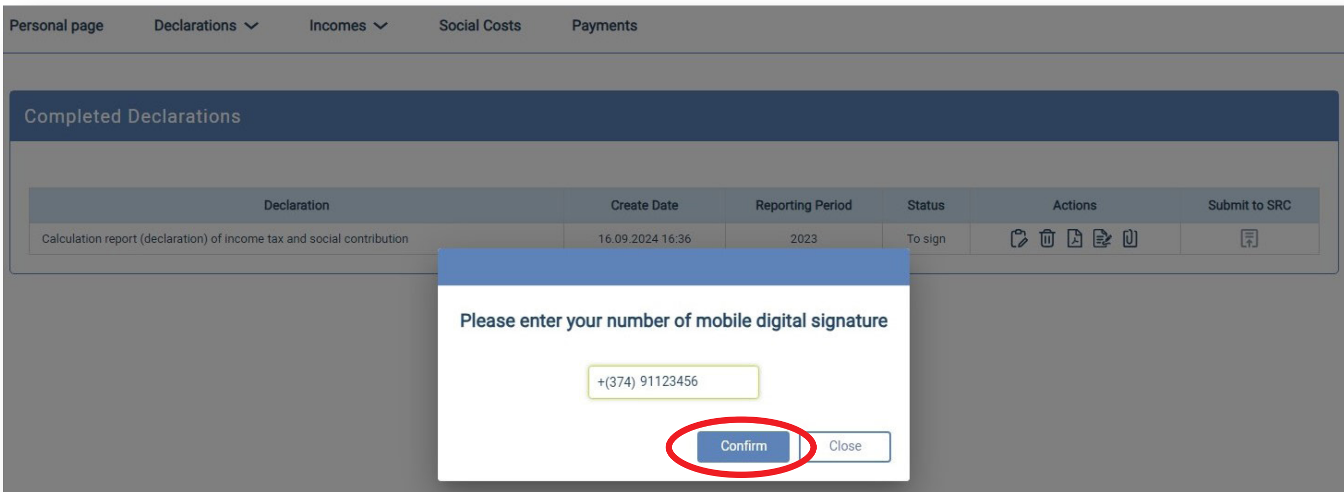


OPTION 2 (mobile identification card – mID)

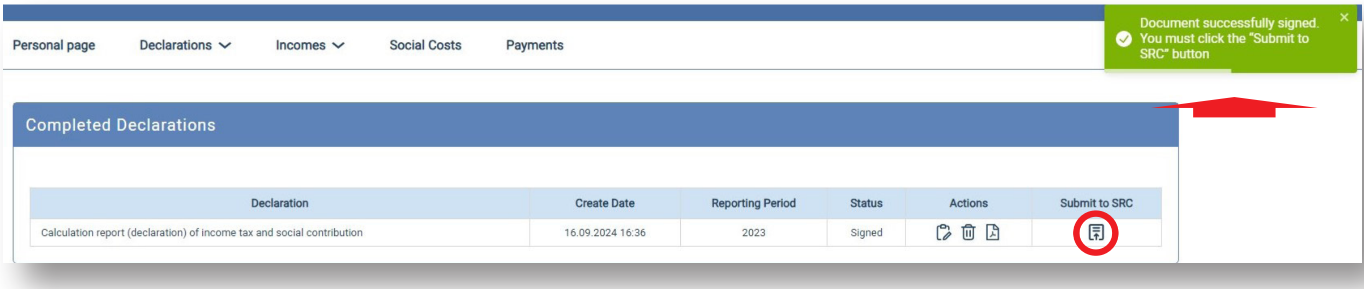
→ **Signature type** message will pop up on the screen, after which click on icon and select **mID (mobile identification card)** .



→ Type in your phone number (without 0) and click on **Verify.**



→ After clicking on **Verify,** type in your mID PIN in your smart phone, after which you will see the following message in the upper right corner of the screen “***The document is successfully signed. You need to click on “Submit to SRC” icon”.*** Then click on **Submit to SRC.**



3. USEFUL INFORMATION REGARDING THE INCOME (INCLUDING DEDUCTIBLE) REPORTED IN THE SIMPLIFIED RETURN AND RETURN (DECLARATION), AND THE SPECIFICITIES OF REPORTING AND DETERMINATION THEREOF

Taxable income is shown in blue.

Deductible incomes that are exempt from taxable income are marked in green. Deductible incomes are marked in green. Exempt taxable income in deductible income is marked in blue.

Attention: In case of resident RA citizen, the taxable income is formed from incomes received from sources located in the RA and outside the RA.

In case of non-resident RA citizen, taxable income is formed only from income received from the sources in the RA.

RA sources include the following:

→ Remuneration (funds used to compensate for labor) received within the framework of employment contracts concluded with the non-resident profit taxpayers operating in the RA via resident taxpayers and (or) permanent establishment.

→ Income from the provision of service or performance of work under civil law contract, if such contracts were concluded with non-resident profit taxpayer operating in the RA via resident taxpayer and (or) resident mission.

→ Royalty received from resident company, permanent establishment, or RA citizen natural person (including individual entrepreneur, notary).

→ Dividend received from participation (share, stock, unit) in the resident company's statutory or equity capital or from joint venture as stipulated by the Tax Code (hereinafter, Code).

→ Interest received from a resident company or permanent establishment or a natural person who is a citizen of the Republic of Armenia (including an individual entrepreneur, a public notary).

→ Rental payment received from:

- In exchange for the provision of the right (lease) of possession and (or) use of real estate located in the territory of the Republic of Armenia.
- in exchange for the lease of movable property, if the movable property (except aircraft) is located in the territory of the Republic of Armenia at the time of signing the lease agreement;
- during the validity period of the movable property lease contract, if the movable property (except aircraft) is registered (subject to registration) in the Republic of Armenia in accordance with the procedure established by the legislation of the Republic of Armenia.

Note: In connection with the real estate rental transaction, it is necessary to consider that the mentioned transaction will be considered an illegal business activity if:

- the titles arising from the real estate lease transaction have not been registered with the state, or
- the natural person did not settle the income tax on the income received from real estate rental, or
- the natural person did not submit a statement to the tax authority regarding the title to income from the real estate within 5 days following the date of actual occurrence of such title.

The declaration form and the competition procedure is approved by the order of the RA SRC Chairman No. 1263-N of 01.12.2023.

In addition to the above-mentioned types of income generated form sources based in the RA, all other income received by the natural person from a resident company or permanent establishment, or a RA citizen natural person, individual entrepreneur and public notary shall also be regarded as income generated from RA based sources.

Where it is impossible to assign the income to sources not based in the RA, such income shall be regarded as income generated from RA based sources in full volume.

1. SALARY (MEANS FOR COMPENSATION OF LABOR)

Is reported in Column 1.5 of the Simplified tax return if the salary was received from a tax agent exempt from the obligation of settling (paying) income tax.

Is reported in Row 1.1.5 of the Tax return (Declaration) if the salary was received from a tax agent.

Is reported in Row 3.4 of the Tax return (Declaration) if the salary was received from a non-tax agent.

Renumeration paid by the employer to the employee for the work performed within the term or termless employment contract or individual legal act (order) on hiring in accordance with the RA Labor Code shall qualify as salary and other payments equalized thereto. Salary and other equalized payments are as follows:

- Salary (basic remuneration, extra remuneration), including overtime pay, night work pays, payment for work performed on weekends and non-working (holidays and memorial days) days, additional payments, supplements, bonuses, and rewards (regardless of the payment frequency and funding sources),
- Lump sums paid from funds earmarked for remuneration (except for reimbursement provided in cases defined by RA legislation, including cash for temporary disability allowances paid in accordance with RA legislation, cash assistance, as well as cash provided for basic needs of employees),
- Payment during idle period, including wages paid for forced idle time in case of reinstatement, payment to workers participating in a lawful strike, payment for additional and special breaks, reimbursement for work in case of increased workload, payment for the time spent for health check-up (if the employee’s health check-up is mandatory and is conditional upon the nature of the work).
- Cash for annual (minimum, extended, additional) and targeted (for fulfillment of teaching/learning, official or public duties) paid leave, as well as compensation (reimbursement) paid for unused leave when terminating the employment contract (terminating the individual legal act on hiring).
- Pay for copyright (excluding Royalties).

2. INCOME FROM PROVISION OF SERVICES OR PERFORMANCE OF WORK UNDER CIVIL LAW CONTRACT

Is reported in Column 1.6 of the Simplified tax return if the income was received from a tax agent exempt from the obligation of settling (paying) the income tax.

Is reported in Row 1.1.6 the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.5 of the Tax return (Declaration) if the income was received from a non-tax agent.

Under civil law contracts:

→ Activity with a tangible output which can be sold to provide for the needs and (or) demands of another person shall qualify as performance of work.

  Transfer of the legal title to the output of performance of work from one person to another against some form of reimbursement (including partial reimbursement or compensation in form of grants and subsidies) or free of charge qualifies as performance of work.

→ Activity with no tangible output which the user is consuming during that activity qualifies as provision of service.

  Performance of an activity by one person for the benefit of another against some form of compensation (including partial reimbursement or compensation in form of grants and subsidies) or for free shall qualify as service provision.

3. TEMPORARY DISABILITY ALLOWANCE, AND MATERNITY ALLOWANCE

Is reported in Column 1.7 of the Simplified tax return if the allowance was received from a tax agent exempt from the obligation of settling (paying) the income tax.

Is reported in Row of 1.1.7 the Tax return (Declaration) if the allowance was received from a tax agent.

Temporary disability allowance is used for partial compensation of the salary (income) lost by natural persons who are in employment relations with employers because of temporary disability, which the person is receiving or could have received.

Temporary disability allowances are the ones stipulated by the RA Law on Temporary Disability and Maternity Allowances as follows:

→ Allowance for temporary disability caused by a disease (injury) (for the first five business days),

→ Allowance granted for temporary disability caused by prosthetics,

→ Allowance granted for temporary disability caused by the need for treatment at a health resort,

→ Allowance granted for temporary disability driven by the need for care caused by the sickness (injury) of a dependent.

The maternity allowance specified by the RA Law on Temporary Disability and Maternity Allowance is used for partial or full compensation of the salary (income) lost by the employee, individual entrepreneur (notary) during the pregnancy and delivery related leave (where there is entitlement to such leave), as specified by the RA Labor Code.

DEDUCTIBLE INCOME

Is reported in Row 2.1 of the Tax return (Declaration)

The maternity allowance for unemployed women is paid in accordance with the RA Law on State Allowances. The maternity allowance specified in the said Law shall qualify as deductible income and shall not be taxable by income tax.

4. OTHER TAXATION BASE (OTHER INCOME OF A WORKER)

Is reported in Column 1.8 of the Simplified tax return if the income was received from a tax agent exempt from the obligation of settling (paying) the income tax.

Is reported in Row 1.1.8 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.19 of the Tax return (Declaration) if the income was received from a non-tax agent.

Reimbursements received by workers in relation of performance of works under employment contract **in excess** of the norms (caps) set by the RA legislation shall qualify as other income.

In particular, the following shall be classified as reimbursements received by the employers:

- → Reimbursements for business trip expenses (per diem, overnight fee, transportation, costs of temporary registration),
- → Reimbursements for field work and relocation (transfer).

The following shall also be classified as other taxable income:

- → Cash paid to interns (apprentice, student in on-the-job training),
- → Fine paid to the employee for late payment of the salary and other payable amounts specified in the contract or written agreement, which was the fault of the employer,
- → Premiums paid by the employer for the health insurance of the paid employee, in amount **exceeding** AMD 10,0 thousand per month of the income received by each employee.

5. ROYALTY

Is reported in Row 1.2.5 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.8 of the Tax return (Declaration) if the income was received from non-tax agents (including tax agents exempt from the obligation of settling (paying) the income tax).

Royalty is the income received or receivable from the use of natural person's intellectual property and other non-pecuniary titles. Royalty is the income received by the natural person (author, including heirs of the author) for the use of:

- → inventions, patents, copyrights,
- → literature, science, or art, including motion pictures, audio and video recordings for television or radio communication,
- → software, certificate, trademark, drawing, model, scheme, secret formula, or process,
- → industrial, commercial, scientific information or expertise.

6. INTEREST

Is reported in Row 1.2.6 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.9 of the tax return (Declaration) if the income was received from non-tax agents (including tax agents exempt from the obligation of settling (paying) the income tax).

Interest is the income received or to be received in return for deferred payment of the cost for the use and of the selling price for funds lent to another person (including for purchasing payment security as lending, as advance payment, accrued to the banking account of the servicing bank).

Interest can be received, specifically:

- on the lending provided by a natural person,
- on a bank deposit,
- for possession of a bond and promissory note.

The fine imposed by law or a deal for overdue payment, including the banking interest shall not qualify as interest.

DEDUCTIBLE INCOME

Is reported in Row 2.24 of the Tax return (Declaration).

Interest shall qualify as deductible income and not be taxable by income tax, if it is received:

- from treasury bonds, and other government securities,
- from bonds listed in the stock exchange active in the RA or other securities attesting the investment, except for the bonds issued by the banks, with less than 2 years of maturity starting from the time of placement.

7. RENTAL FEE – COLUMN

Is reported in Row 1.2.7 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.10 of the Tax return (Declaration) if the income was received from non-tax agents (including tax agents exempt from the obligation of settling (paying) the income tax).

Is reported in Row 3.11 of the tax return (Declaration) in amount exceeding AMD 60.0 million of the fee.

Rental fee is the income received or receivable for the use of property by another person. Rental fee is the compensation paid by the sublessee to the lessee. Land plots and other isolated natural objects, buildings, facilities, equipment, vehicles, and other property that do not lose their natural properties during use (non-expendable property) can be leased.

EXAMPLE 1

From July 1 to November 1 of the reporting year, RA resident Ani leased the apartment she owned to another natural person. According to the lease agreement, the rent for the apartment was AMD 300.0 thousand per month, and Ani received AMD 1.5 million (300.0 x 5 months) for the reporting year.

In this case, the rental fee in the Tax return (Declaration) for the reporting year, as submitted to the tax authority, shall be filled in by Ani as follows:

TAX RETURN (DECLARATION)

SECTION 3. CALCULATION OF INCOME TAX FROM INCOME RECEIVED FROM NON-TAX AGENT

Income type		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
7) RENTAL FEE	3.10	1500000	10%	150000

EXAMPLE 2

RA resident Ani leased 2 apartments to other natural persons in 2023, for one of which she received AMD 45.0 million in rent, and for the second – AMD 20.0 million; hence, the sum of rental fees during the reporting year was AMD 65 0 million (45 + 20).

Since the total amount of rental payments for the given reporting year exceeds AMD 60.0 million, Ani should settle additional income tax on AMD 5.0 million (65 - 60).

In this case, in the Tax return (Declaration) submitted to the tax authority, the rental payments shall be filled in as follows:

TAX RETURN (DECLARATION)

SECTION 3. CALCULATION OF INCOME TAX FROM INCOME RECEIVED FROM NON-TAX AGENT

Income type		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
7) Rental fee	3.10	65.000.000	10%	6.500.000
8) Amount in excess of AMD 60 million of the rental fee	3.11	5.000.000*	10%	500.000

*5000000 = (65000000-60000000)

EXAMPLE 3

RA resident Ani leased the building she owned to RA resident "X" LLC (tax agent) from January 1 to November 1 of the reporting year.

According to the lease agreement, the monthly rental fee was AMD 7.0 million; hence, Ani was paid AMD 70.0 million for the reporting year (7.0 x 10 months). Moreover, "X" LLC settled (paid to the state budget) income tax from the rent paid to Ani, which was reflected in the monthly tax return of the income tax and social contribution submitted by the LLC.

Since the total amount of the rental fee for the given reporting year exceeds AMD 60.0 million, Ani should settle (pay to the State budget) additional income tax for AMD 10.0 million (70 - 60).

In this case, in the Tax return (Declaration) submitted to the tax authority, the rental payments shall be filled in as follows:

TAX RETURN (DECLARATION)

SECTION 1. INCOME RECEIVED (TO BE RECEIVED) FROM TAX AGENT, INCOMES RECEIVED (TO BE RECEIVED) FROM THE EMPLOYER EXEMPT FROM THE OBLIGATIONS OF A TAX AGENT WITHIN THE FRAMEWORK OF EMPLOYMENT CONTRACT, CIVIL CONTRACT FOR PROVISION OF SERVICES (PERFORMANCE OF WORK), AND INCOME TAX FROM OTHER INCOME

CHAPTER 2. OTHER INCOME AND INCOME TAX

Type of income TIN		Of tax agent*		Income received (AMD)	Income tax (AMD)
		Name			
3. Rental fee	1.2.7	00000000	"X" LLC	70.000.000*	7.000.000*

*Is filled in automatically by the personalized registration information system

SECTION 3. ESTIMATION OF THE INCOME TAX FOR INCOME RECEIVED (TO BE RECEIVED) FROM NON-TAX AGENTS

Type of income		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
8) Amount in excess of AMD 60 million	3.11	10.000.000*	10%	1.000.000

*10000000 = (70.000.000 - 60.000.000)

8. DIVIDEND

Is reported in Row 1.2.8 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.12 of the Tax return (Declaration) if the income was received from a non-tax agent.

Dividend is the income received or receivable by a holder in the statutory or equity or share capital of the company (such as shares, stock, equity share) or as a distribution of profit from joint venture (including interim distribution).

DEDUCTIBLE INCOME

Is reported in Row 2.24 of the Tax return (Declaration)

Dividend qualifies as deductible income and not taxable by income tax if received from the shares listed in the stock exchange operating in the Republic of Armenia.

EXAMPLE

RA resident Tigran is the only holder (owner) of resident "A" LLC, as well as a shareholder in non-resident company "Z".

Based on the 2023 financial results, the legal entities paid the following dividends to Tigran in 2024:

- AMD 2 million from "A" LLC;

- Euro 1000 by non-resident company "Z" (AMD 430.0 thousand as per the average exchange rate published by the Central Bank of Armenia).

In this case, in the 2024 Tax return (Declaration) submitted by Tigran to the tax authority, the dividends shall be filled in as follows:

TAX RETURN (DECLARATION)

SECTION 1. INCOME BEING RECEIVED (RECEIVED) FROM TAX AGENT, INCOMES BEING RECEIVED (RECEIVED) FROM THE EMPLOYER EXEMPT FROM THE OBLIGATIONS OF A TAX AGENT WITHIN THE FRAMEWORK OF EMPLOYMENT CONTRACT, CIVIL CONTRACT FOR PROVISION OF SERVICES (PERFORMANCE OF WORK), AND INCOME TAX FROM OTHER INCOME

CHAPTER 2. OTHER INCOME AND INCOME TAX

Type of income TIN		Of tax agent*		Income received (AMD)	Income tax (AMD)
		NAME			
4. Dividend	**1.2.8**	00000000	"A" LLC	2.000.000*	100.000*

* Is filled in automatically by the personalized registration information system

SECTION 3. SETTLEMENT OF INCOME TAX ON INCOME BEING RECEIVED (RECEIVED) FROM NON-TAX AGENTS

Type of income		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
9) Dividend	**3.12**	430.000	**5%**	21500
			10%	

9. DONATION

Is reported in Row 1.2.9 of the Tax return (Declaration) if the income was received from the tax agent.

Is reported in Row 3.17 of the Tax return (Declaration) if the income was received from non-tax agent (including tax agents exempt from the obligation of settling (paying) the income tax).

Under the donation agreement, one party (donor) provides or undertakes to provide gratuitously to the other party (recipient) a property or legal title (claim) to property against a third person or frees or undertakes to free them from the proprietary claims against itself or a third person. Where there is a counter obligation or counter delivery obligation regarding the property or title, the agreement shall not be regarded as donation.

The following income shall qualify as donation:

- immovable property received as donation,
- movable property received as donation,
- bonds, checks, promissory notes, shares, bank certificates, double deposit certificates and other securities received as a donation,
- funds received as donation.

DEDUCTIBLE INCOME

Donation qualifies as deductible income if the natural person receives the following from another natural person:

Is reported in Row 2.10 of the tax return (Declaration)

- immovable or movable property,
- cash,

Is reported in Row 2.24 of the tax return (Declaration)

- bonds, checks, promissory notes, shares, bank certificates, double deposit certificates and other securities.

Exceptions:

TAXABLE INCOME

Is reported in Row 1.2.9 of the Tax return (Declaration)

Residential or other facilities of a multi-apartment (including multi-functional) building, building of a natural person regarded as a developer of subdivided building, its apartments, structures (including incomplete, and semi-finished).

EXAMPLE 1

RA resident Ani received an apartment from Tigran as a gift in 2023, with a value of AMD 50.0 million. Tigran is not a developer, and the donated property is a real property from the secondary market.

During 2023, according to the RA Law "On Combating Money Laundering and Financing of Terrorism", Ani was considered the beneficial owner of a legal entity (holder in "A" LLC), therefore, she must submit a Tax return (Declaration) to the tax authority.

Since the income received by a natural person in the form of real estate as a donation from another natural person is a deductible income (not subject to taxation), therefore, in the Tax return (Declaration) submitted by Ani to the tax authority, the property received as donation (its value) shall be reflected as follows:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
10. Property received as inheritance and (or) donation	2.10	50.000.000

EXAMPLE 2

In 2023, RA resident Ani received as a gift from Tigran an apartment worth AMD 30.0 million in an apartment building. Moreover, Tigran is the developer of the apartment building.

In general, income in the form of real estate received by a natural person as a donation from another natural person qualifies as deductible income (not subject to taxation), however, an exception is the case when the donor is the developer of the apartment building.

Hence, the donation transaction of the given apartment is subject to income tax, and since natural person Tigran (the donor) is not a tax agent, the obligation to calculate and pay income tax (at a rate of 20%) must be fulfilled by Ani independently.

In the Tax return (Declaration) submitted to the tax authority in 2023, the value of the gifted apartment and the tax estimated shall be filled in as follows:

TAX RETURN (DECLARATION)

SECTION 3. INCOME TAX FROM INCOME BEING RECEIVED (RECEIVED) FROM NON-TAX AGENT

Type of income		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
14) DONATION	3.17	30.000.000	20%	6.000.000

10. INCOME FROM SALE OF PROPERTY (EXCEPT FOR THE BUILDING, ITS APARTMENTS OR OTHER FACILITIES AND SECURITIES BY THE DEVELOPER)

Is reported in Row 1.2.10 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.13 of the Tax return (Declaration) if the income was received from a non-tax agent (including from tax agent exempt from the obligation of settling (paying) the income tax).

The personal asset of a natural person is the assets owned by the natural person under ownership right, and personal, family owned, or household use items used for consumption.

Sale of property is the transaction of any property (item) owned by a natural person, sale (delivery) of a legal title and personal non-proprietary title as a result of which the legal title thereto is transferred to another person under some form of restitution (including partial).

DEDUCTIBLE INCOME

Is reported in Row 2.12 of the Tax return (Declaration)

- Income received from the sale of property (movable and immovable) is regarded as deductible, if the income from sale of immovable owned by the natural person is received by another natural person who is not an individual entrepreneur or notary.
- Income received from the sale of immovable property shall be regarded as deductible, if the natural person receives such income against the immovable property, it owns taken from them in accordance with the RA Law on Alienation of Property for Eminent Domain.

Moreover, the above relates to those natural persons who are not registered (record-registered) at that immovable property.

- Income received from the sale of a land (irrespective of the land use) owned by the natural person shall qualify as deductible income.
- Income received by a natural person from sale of gold and precious stones to a tax agent shall qualify as deductible if that tax agent is trading precious metals, items produced of precious metals or precious stones at trading spots (gold market) – at counters or stalls.

- → Income from the sale of property owned by the natural person to banks and credit organizations, if at a later stage the same bank or credit organization is leasing such property (using the forms of leasing) to another individual entrepreneur or a natural person who is not a notary.
- → Income from the sale of a vehicle (including agricultural machinery) owned by a natural person shall qualify as deductible if the income is received from a VAT payer holding a license for trade-in purchase of the vehicle, **except for:**

TAXABLE INCOME

Is reported in Row 1.2.10 of the Tax return (Declaration)

in cases when the company holding the trade-in license for the vehicle sold (including the agricultural machinery) is later registering the vehicle with the state to operate it.

11. INCOME FROM THE SALE BUILDING, ITS APARTMENTS OR OTHER FACILITIES BY A NATURAL PERSON WHO IS A DEVELOPER.

Is reported in Row 1.2.11 of the Tax return (Declaration) if the income was received from a tax agent.

Is Reported in Row 3.14 of the Tax return (Declaration) if the income was received from a non-tax agent (including tax agents exempt from the obligation of settling (paying) the income tax).

Income from sale of a building, its apartments, structures (including semi-finished or semi-structured) or other facilities (exclusive of non-residential facilities held under joint equity titles) by natural persons who are regarded as developers of multi-apartment buildings (including multifunctional building), and subdivided building to other persons shall be settled based on the actual price of the transaction price. Where the transaction price is missing or the transaction price is below 80% of the cadastral value of the immovable, the income from the sale of immovable shall be settled in amount of 80% of the cadastral value (***Article 228 of the Code***).

The procedure of cadastral valuation approximated to the market price of the immovable for the purpose of taxation by property tax is defined by RA Law No HO-225-N of 19.11. 2019.

12. INCOME FROM SALE OF PLEDGED PROPERTY

Is reported in Row 1.2.10 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 1.2.11 of the Tax return (Declaration) if the income was received from a tax agent and the pledged property is the building, an apartment, or another facility in the building of the natural person who is a developer.

Where the property pledged by a natural person (including in the case of compulsory purchase or transfer, or purchase or transfer through insolvency auction) passes to the pledgee bank or credit organization by the right of ownership as a result of the confiscation thereof the positive difference of the alienation price of the pledged property and the loan obligation shall qualify as income from the alienation of the property of the pledgor, who is a natural person.

NOT REGARDED AS INCOME

Note: In relation to the above statement, it should be considered that where the property is alienated to the former owner of the property (whose property has been confiscated) or to the owner's legal successor within one year after taking the pledged property, passed to the ownership of the bank or the credit organization, under the ownership of the bank or the credit organization, it shall be regarded that the pledgor has not derived income from the alienation of the property.

The obligation (including interests, default penalty, the damages caused due to the default of the fulfilment period) secured by a pledge as of the day of passing the pledged property to the ownership of the bank or the credit organization, as well as the expenses made or to be made by the pledgee for maintaining, safekeeping, confiscating and alienating the pledged property, which do not exceed 15 percent of the alienation price of the pledged property, shall be regarded as loan obligation.

The following shall be considered the day of the payment to the natural person of the incomes derived from the alienation of the pledged property passed to the ownership of the bank or the credit organization as a result of confiscation in extrajudicial procedure, and the alienation price:

- the day of the further alienation of that property by the bank or the credit organisation and the alienation price, where the alienation has taken place within one year after taking the ownership over the property. Moreover, where the property has been alienated at a price considered unreasonably lower than the market price as of the day of the alienation, the market price of that property as of the day of the alienation thereof shall be deemed to be the alienation price of the property;
- the last day of the one-year period following the day of taking the ownership over the property and the market price as of that day, where the property has not been alienated within that six-month period. Moreover, the bank or the credit organisation shall be obliged to ensure at their own expense the determination of the market price of the property by an independent appraiser.

The bank or the credit organization and the pledgor, who is a natural person, may agree in writing that the date of payment of income to the natural person as a result of alienation of the pledged property and the price of alienation shall be the date of state registration of the title to the property by the bank or credit organization and the market price determined by the independent appraiser as of that date.

Where within the framework of a civil, criminal, bankruptcy, or administrative case to which the former owner of the confiscated property or the owner's successor is a party, a lien is put on the given property passed to the ownership of the bank or the credit organization, the running of the one-year period shall be suspended for the entire period of being under lien.

13. WINNINGS

Is reported in Row 1.2.12 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.19 of the tax return (Declaration) if the income was received from a non-tax agent (including a tax agent exempted from the obligation to settle (pay) income tax).

Winnings are the monetary and material winnings of the participants of drawing, instant or combined lottery, as well as betting or winnings in casinos, games of chance and/or on-line games of chance. Monetary and material prizes of the participants of trade promotion lotteries carried out in the manner and conditions prescribed by the legislation of the Republic of Armenia, in an amount not exceeding **AMD 50 000** in case of each winning are regarded as taxable income of a natural person.

DEDUCTIBLE INCOME

Is reported in Row 2.16 of the Tax return (Declaration).

→ Monetary and material winnings of the participants of trade promotion lotteries carried out in the manner and conditions prescribed by the legislation of the Republic of Armenia, are regarded as deductible income in an amount not exceeding **AMD 50 000** in case of each winning.

→ Monetary or material winnings qualify as deductible income if the natural person gets the winning:

- in drawing, instant, and combined lottery,
- in betting, in casinos, games of chance or online games of chance.

EXAMPLE 1

During 2023, RA resident Ani participated in the advertising lottery organized by "A" LLC and won AMD 80.0 thousand.

As the winnings exceed AMD 50,000 (deductible income), AMD 30,000 (80-50) is subject to taxation by "A" LLC as a tax agent.

During 2023, according to the RA Law "On Combating Money Laundering and Financing of Terrorism", Ani was regarded as beneficial owner of a legal entity (holder of "A" LLC), therefore, she must submit a Tax return (Declaration) to the tax authority.

In this case, Ani's profit in the Tax return (Declaration) submitted to the tax authority for 2023 is filled in as follows:

TAX RETURN (DECLARATION)

SECTION 1. INCOME BEING RECEIVED (RECEIVED) FROM TAX AGENT, INCOMES BEING RECEIVED (RECEIVED) FROM THE EMPLOYER EXEMPT FROM THE OBLIGATIONS OF A TAX AGENT WITHIN THE FRAMEWORK OF EMPLOYMENT CONTRACT, CIVIL CONTRACT FOR PROVISION OF SERVICES (PERFORMANCE OF WORK), AND INCOME TAX FROM OTHER INCOME

CHAPTER 2. OTHER INCOME AND INCOME TAX

Type of income TIN		Of tax agent*		Income re-ceived (AMD)	Income tax (AMD)
		Name			
8. Winnings	1.2.12	00000000	"A" LLC	30.000*	6.000*

* Is filled in automatically by the personalized registration information system

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD
16. Winnings	2.16	50.000

EXAMPLE 2

During 2024, RA resident Tigran participated in the advertising lottery organized by "A" LLC and won an iron, with a calue of AMD 45.0 thousand.

Since the value of the real winnings does not exceed AMD 50.0 thousand (deductible income), the winnings are filled in as follows in the Tax return (Declaration) submitted by Tigran to the tax authority for 2024:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
16. Winnings	2.16	45.000

14. PRIZE

Is reported in Row 1.2.13 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.16 of the Tax return (Declaration) if the income was received from a non- tax agent (including a tax agent exempt from the obligation of settling (paying) the income tax). The prize is the material and monetary prize from contests.

The value of monetary and material prize received in a contest shall qualify as the natural person's taxable income in amount of **exceeding AMD 50,0 thousand** for each prize.

DEDUCTIBLE INCOME

Is reported in Row 2.17 of the tax return (Declaration).

The value of monetary and material prizes received in contests is regarded as deductible income in amount **not exceeding AMD 50,0 thousand** for each prize.

EXAMPLE 1

"Contest" LLC, which is a tax agent, organized "the smart and the quick-witted" contest in 2024, where the natural person Ani (RA resident) was recognized as the winner and received a computer worth AMD 250.0 thousand.

Since "Contest" LLC, as a tax agent, is exempt from the obligation to settle the tax and pay it to the state budget with respect to the real prize received by the natural person in the contest, the obligation to pay the tax must be borne independently by the natural person receiving the prize.

Since the value of the real prize exceeds AMD 50.0 thousand (deductible income), Ani must settle the tax for AMD 200.0 thousand (250-50) and pay it to the budget.

In this case, for 2024, in the Tax return (Declaration) submitted to the tax authority, Ani fills in her prize (the value of the prize) as follows:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
17. Prize	**2.17**	50.000

SECTION 3. SETTLEMENT OF INCOME TAX FROM INCOME RECEIVED FROM NON-TAX AGENT

Type of income		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
13) Prize	**3.16**	200.000	**20%**	40.000

EXAMPLE 2

"Contest" LLC, which is a tax agent, organized "the smart and the quick-witted" contest in 2024, where the natural person Tigran (RA resident) received a cash prize in amount of AMD 220,0 thousand.

Since the prize money exceeds AMD 50.0 thousand (deductible income), AMD 170.0 thousand (220-50) is subject to taxation by "Context" LLC, as a tax agent.

In this case, for 2024, the monetary award is reflected in the Tax return (Declaration) submitted by Tigran to the tax authority as follows:

CHAPTER 2. OTHER INCOME AND INCOME TAX

SECTION 1. INCOME BEING RECEIVED (RECEIVED) FROM TAX AGENT, INCOMES BEING RECEIVED (RECEIVED) FROM THE EMPLOYER EXEMPT FROM THE OBLIGATIONS OF A TAX AGENT WITHIN THE FRAMEWORK OF EMPLOYMENT CONTRACT, CIVIL CONTRACT FOR PROVISION OF SERVICES (PERFORMANCE OF WORK), AND INCOME TAX FROM OTHER INCOME

Type of income TIN		Of tax agent*		Income received (AMD)	Income tax (AMD)
		Name			
9. Prize	**1.2.13**	00000000	"Contest" LLC	170.000*	34.000*

* Is filled in automatically by the personalized registration information system

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
17. Prize	**2.17**	50.000

15. INSURANCE PREMIUM

Is reported in Row 1.2.14 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.19 of the tax return (Declaration) if the income was received from a non-tax agent (including a tax agent exempt from the obligation to settle (pay) income tax).

Insurance premium is the amount of potential insurance policy payable to the insurer by the policy holder in amount specified in the insurance policy. Deductible income is the insurance premium paid by the employer for the health insurance of their employee, in the amount of up to AMD 10 000 for each month.

DEDUCTIBLE INCOME

Is reported in Row 2.26 of the Tax return (Declaration)

The insurance premium paid by the employer for the health insurance of its hired employee qualifies as deductible income in amount of up to **AMD 10,0 thousand** for each month of income received for each hired employee.

Taxable income is the insurance premium paid in full amount for any other case for the natural person also by the tax agent, and non-tax agent (except for natural persons who are not individual entrepreneurs and notary).

16. VOLUNTARY PENSION

Is reported in Row 1.2.15 of the Tax return (Declaration) if the income was received from a tax agent.

Pensions received in prescribed manner at the expense of voluntary pension contributions made by the natural persons for themselves or a third person (including employer) under the voluntary pension pillar is regarded as taxable income.

Voluntary pension contribution is the payment made by the participant or another person for the benefit of another person for voluntary pension.

17. OTHER INCOME

Is reported in Row 1.2.16 of the Tax return (Declaration) if the income was received from a tax agent.

Other income **not indicated in points 1-16** of this Annex shall qualify as natural person's taxable income.

Other income includes:

→ Voluntary worker's compensation,

→ Reimbursements received in prescribed manner at the expense of voluntary pension contributions paid by a natural person or a third person (including employer) under the voluntary pension component, in accordance with the RA legislation, which are regarded as taxable income,

→ Restitution amount paid in accordance with judicial act by the employer to the employee for not reinstating at work – not less than average salary, but not more than twelve-fold of the average salary as restitution for the income lost.

18. PASSIVE INCOME UNPAID IN 12-MONTH PERIOD

Is reported in Row 1.2.16 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.18 of the Tax return (Declaration) if the income was received from a non-tax agent (including from tax exempt from the obligation of settling (paying) the income tax)

Natural person's taxable income is the following:

→ Passive income paid by the tax agent to the natural person, if such income was not paid within 12-month period following the tax year when the title to receive such income was obtained, except for the interests paid on a bank deposit and on debt securities on public offer or authorized in a regulated market,

- Passive income of a natural person received from a non-agent, if such income was not received within 12-month period following the tax year when such title was received.

Passive income includes dividends, interests, royalties, and rental fees.

19. ALLOWANCES (DEDUCTIBLE INCOME)

Is reported in Row 2.1 of the tax return (Declaration)

The sum of allowances received by natural persons in accordance with the RA legislation is regarded as deductible income, ***except for:***

TAXABLE INCOME IN RELATION TO TEMPORARY DISABILITY, MATERNITY ALLOWANCES (SEE POINT 3 OF THIS ANNEX)

Allowances regarded as deductible income in accordance with the RA Law on State Allowances are as follows:

- Family and social benefits,
- Emergency assistance,
- Lump-sum childbirth allowance, up to two-year old childcare benefit, maternity allowance,
- Elderly, disability, and survivor benefits,
- Funeral allowance,
- Custodial allowance.

Allowance regarded as deductible income is the dismissal allowance paid for dismissal of a hired employee (***RA Labor Code, Article 129)***.

20. PENSIONS (DEDUCTIBLE INCOME) - COLUMN 2.2

Is reported in Row 2.2 of the Tax return (Declaration).

All pensions received within the framework of the RA and other countries' legislation, including similar payments received under the social security system of other countries shall qualify as deductible income, ***except for:***

TAXABLE INCOME – AGE PENSIONS RECEIVED UNDER VOLUNTARY PENSION CONTRIBUTION PILLAR (SEE PARA 16 OF THIS ANNEX)

Deductible income includes the following pensions:

- Labor and social pensions – age, preferential, long-service, disability, survivor, and partial pensions,
- Military pensions – long-term service, survivor, and disability pensions.

Pensions regarded as deductible income include also the cumulative pensions received under the cumulative pillar of the RA Law on Cumulative Pensions.

21. INSURANCE INDEMNITY (DEDUCTIBLE INCOME) - COLUMN 2.3

Is reported in Row 2.3 of the Tax return (Declaration)

Insurance indemnities paid in accordance with the RA Law on Insurance and Insurance Activities and other countries' laws qualify as deductible income, ***except for:***

INDEMNITIES REGARDED AS TAXABLE INCOME AND RECEIVED IN PRESCRIBED MANNER FROM THE VOLUNTARY PENSION CONTRIBUTIONS MADE BY THE NATURAL PERSON OR A THIRD PERSON (INCLUDING THE EMPLOYER) UNDER THE VOLUNTARY PENSION COMPONENT IN ACCORDANCE WITH THE LEGISLATION.

Is reported in Row 1.2.16 of the Tax return (Declaration)

Insurance indemnity is the amount payable to the policy holder or the beneficiary based on the insurance agreement by the insurer in case of an insurance incident – in cash or equivalent assets.

EXAMPLE

An car crash happened in March 2023 involving the car of a natural person Ani. According to the insurance contract signed with "A" insurance company, in November of the given year Ani received compensation from the said company for the car accidentin amount of AMD 200.0 thousand.

In the meantime, Ani had to undergo medical examination (magnetic resonance imaging of the brain) and received partial reimbursement of the cost of examination in April 2023 from the same insurance company, already as health insurance in amount of AMD 50.0 thousand.

During 2023, according to the RA Law "On Combating Money Laundering and Financing of Terrorism", Ani was regarded as the beneficial owner of a legal entity (holder of "B" LLC), therefore, she must submit a Tax return (Declaration) to the tax authority for 2023.

Since the insurance indemnities received by Ani from the car and health insurance are deductible income (not subject to taxation), the sum of these indemnities in amount of AMD 250,0 is reflected in the Tax return (Declaration) submitted by Ani to the tax authority for 2023 as follows:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
3. Insurance indemnities	**2.3**	250.000

22. AMOUNTS RECEIVED AT THE ACCOUNT OF INSURANCE INDEMNITIES FROM BANKS OR CREDIT ORGANIZATIONS (DEDUCTIBLE INCOME)

Is reported in Row 2.4 of the Tax return (Declaration)

Deductible income is the amount received through banks or credit organizations, which the banks or credit organizations have received as insurance indemnity, with regard whereto the banks or credit organizations are beneficiaries to the extent such amounts, according to the insurance contract, are provided by the banks or credit organizations to the borrower or pledger natural person or are used to repay the borrowing natural person's credit.

23. ADDITIONAL FUNDS OF THE CUMULATIVE INDEMNITIES RECEIVED FROM THE STATE BUDGET (DEDUCTIBLE INCOME)

Is reported in Row 2.5 of the Tax return (Declaration)

Deductible income includes additional funds earmarked from the RA State Budget to the benefit of the natural person under the voluntary pension component specified by the RA Law on Cumulative Pensions, the maximum size whereof, according to the same law, cannot exceed AMD 25,0 thousand monthly and AMD 300,0 thousand annually.

24. SOCIAL ASSISTANCE (DEDUCTIBLE INCOME)

Is reported in Row 2.6 of the tax return (Declaration)

Deductible income according to the RA legislation includes the honorariums, monetary assistance and aid received under social security scheme.

Such payments to natural persons can be made, specifically, in accordance with the RA Law on Social Assistance.

Honorarium is the monetary allotment granted to individuals who have performed specific services or received honorary titles of the RA (cultural, military, science, statemen and other figures).

25. ALIMONY (DEDUCTIBLE INCOME)

Is reported in Row 2.7 of the Tax return (Declaration)

Alimonies received within the RA legislation are regarded as natural person's deductible income.

The alimony (subsistence allowance) is the cash paid by some members of the family to the dependents who are in need thereof (**RA Family Code**). The alimony for children left without paternal care is paid to their guardian (trustee).

26. INCOME FROM DONATION (DEDUCTIBLE INCOME)

Is reported in Row 2.8 of the Tax return (Declaration)

Income received from donations qualify as deductible income.

Income from donation includes specifically the following:

- income from donation of human blood and blood components;
- income from giving breast milk;
- income from germ cells donation.

27. REIMBURSEMENT FOR WORKERS AND VOLUNTEERS (DEDUCTIBLE INCOME)

Is reported in Row 2.9 of the tax return (Declaration)

Reimbursement received by workers (volunteers) in relation to performance of works under employment and voluntary employment contracts (including reimbursement for diplomatic servants) which **do not exceed** the norms (amounts) set forth by the RA legislation shall be regarded as deductible income, ***except for:***

REIMBURSEMENT FOR UNUSED LEAVE IN CASE OF DISMISSAL, WHICH IS REGARDED AS TAXABLE INCOME.

Is reported in column 1.5 of the Simplified Tax return if the pay is received from a tax agent exempt from the obligation to settle (pay) income tax.

Is reported in Row 1.1.5 of the Tax return (Declaration) if the pay is received from a tax agent.

Is reported in Row 3.19 of the tax return (Declaration) if the pay is received from a non-tax agent.

Specifically, reimbursements received by employees include the following:

- reimbursement for the business trip expenses (per diem, overnight fare, transportation expenses, temporary registration expenses, etc.),
- reimbursement for the work performed in the field and reallocation (transfer) works.

28. ASSETS RECEIVED AS INHERITANCE OR DONATION (DEDUCTIBLE INCOME)

Is reported in Row 2.10 of the Tax return (Declaration)

Inherited assets qualify as deductible income.

In case of inheritance the assets of the deceased (inheritance) shall pass to other persons in unaltered state, as an integrity (comprehensive succession). The mass of inheritance includes the following items belonging to the inheritor as of the date of reading inheritance:

- cash, including cash available at the cumulative pension fund,
- treasury bonds, other government securities, and bonds issued by the Panamanian Bank,
- other securities attesting to the participation (in shares, stock, equity shares) or investment in the statutory or share capital of the organization,
- securities attesting the participation in investment funds,
- other property titles.

Inheritance is administered by will and by law. Inheritance is administered by law if there is no will or the destiny of the full inheritance is not specified therein.

See para 9 of this Annex for information on assets received as donation.

29. GRATUITOUSLY RECEIVED INCOME (DEDUCTIBLE INCOME)

Is reported in Row 2.11 of the Tax return (Declaration)

The contract (transaction) by which one party undertakes to provide something to the other party without receiving payment or other reciprocal performance shall be recognized as gratuitous. In particular, it refers to cases of gratuitous provision of assets, gratuitous provision of services and gratuitous performance of works.

Assets, works, services received gratuitously from non-commercial organizations, RA state bodies and local self-government bodies, permanently operating bodies created by law, as well as from foreign countries and international, interstate (intergovernmental) organizations shall be regarded as deductible income.

Gratuitous income include also:

- payments made by the above-mentioned bodies and international, interstate (intergovernmental) organizations for (in favor of) natural persons, income received gratuitously from other persons, and assistance,
- Lump sum cash assistance received in case of the death of a hired employee or any dependent of the hired employee's family,
- Income natural persons generate from use of services included in social benefit package or cashing out the funds available therein.

30. SCHOLARSHIPS (DEDUCTIBLE INCOME)

Is reported in Row 2.13 of the Tax return (Declaration)

Deductible incomes are the scholarships received from the state by students of higher educational institutions, graduate students, students of secondary-vocational and vocational-technical educational institutions, students of religious educational institutions, as well as scholarships granted to them by these educational institutions or non-profit organizations or foreign states, international, interstate (intergovernmental) organizations.

31. DAMAGE COMPENSATION (DEDUCTIBLE INCOME)

Is reported in Row 2.14 of the Tax return (Declaration)

Deductible income includes those funds which in accordance with the law are received as compensation of damage, ***except for:***

COMPENSATION FOR MISSED INCOME REGARDED AS TAXABLE

Is reported in Row 1.2.16 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.19 of the Tax return (Declaration) if the income was received from a non-tax agent (including from tax exempt from the obligation of settling (paying) the income tax).

Deductible income includes specifically the compensation for loss or damage of assets (actual damage), as well as in case of nonpecuniary damage.

32. CREDITS AND LOANS (DEDUCTIBLE INCOME)

Is reported in Row 2.15 of the Tax return (Declaration)

Deductible income includes the amounts of credits and loans received, ***except for:***

ONCESSION OF THE CREDIT OR LOAN AMOUNTS BY THE CREDITOR OR ANY OTHER AGREEMENT WITH THE CREDITOR FOR NON-REPAYMENT OF THE LOAN OR CREDIT

Is reported in Row 1.2.16 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.19 of the Tax return (Declaration) if the income was received from a non-tax agent (including from tax exempt from the obligation of settling (paying) the income tax)

NOT REGARDED AS INCOME

Cases of concession of accrued interests, settled fines and penalties on loans and credits, or agreement with the creditor on non-repayment of such funds in any other form shall not be regarded as income.

Under loan agreement on party (the creditor) hands over to the other party (borrower) money or other asset of a specific type if the borrower undertakes to return the same amount (loan amount) or equal quantities of assets of the same type and quality received from the creditor. The loan agreement is concluded in written form. The creditor is entitled to collect interests on the loan from the borrower, unless otherwise provided for in the loan agreement. The loan agreement should precisely indicate the interest amount and the procedure of calculation thereof.

Under credit agreement the bank or another credit organization (creditor) shall commit to provide funds (credit) to the borrower in amount and on terms prescribed by the agreement, and the borrower commits to return the money and pay interests on it. The credit agreement is concluded in written form.

EXAMPLE 1

RA resident Ani received a loan in the amount of AMD 9.0 million from Bank "A" in 2023.

As of December 31, 2023, Ani held a public service office, as defined by the RA Law "On Public Service", therefore, she must submit a Tax return (Declaration) to the tax authority.

Since the loan received by Ani is regarded as deductible income (not subject to taxation), that amount is reflected in the Tax return (Declaration) submitted to the tax authority for 2023 as follows:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
15. Credits and loans	2.15	9.000.000

EXAMPLE 2

In 2021 RA resident Ani received a loan from "A" LLC in the amount of AMD 900.0. According to the agreement signed between the parties, Ani must fully repay the loan on December 30, 2023.

However, Ani has failed to return the loan by due date and, in accordance with the contract, a penalty of AMD 50.0 thousand was settled against Ani.

In November 2024, Ani and "A" LLC signed an obligation concession agreement, whereby Ani returned the loan amount of AMD 800.0, and the rest of the loan – AMD 100.0 thousand and the estimated penalty were waived by the company.

In this case, "A" LLC, as a tax agent, must calculate and withhold income tax at the rate of 20% from the amount of the loan ceded to Ani.

As of December 31, 2023, Ani held a public service office, as defined by the RA Law "On Public Service", therefore, she must submit a Tax return (Declaration) to the tax authority.

TAX RETURN (DECLARATION)

CHAPTER 2. OTHER INCOME AND INCOME TAX

Type of income TIN		Of tax agent*		Income received (AMD)	Income tax (AMD)
		Name			
12. Other income	1.2.16	00000000	«Ա» ՍՊԸ	100.000*	20.000*

* Is filled in automatically by the personalized registration information system

33. AMOUNTS COMPENSATED BY THE DEPOSIT GUARANTEE FUND OF ARMENIA (DEDUCTIBLE INCOME)

Is reported in Row 2.18 of the Tax return (Declaration)

Amounts restituted from the Deposit Guarantee Fund of Armenia shall be regarded as deductible income (***RA Law on Guaranteeing Compensation of Bank Deposits***)

34. COMPENSATION OF CASH DEPOSITS IN THE USSR SAVINGS BANK AND ASSR SAVINGS BANK

Is reported in Row 2.19 of the Return (Declaration)

Amounts restituted for cash deposits invested in the USSR Savings Bank and ASSR Savings Bank before June 10, 1993, shall be regarded as deductible income.

35. PENALTIES ACCRUED ON AMOUNTS TO BE REFUNDED FROM THE UNIFIED ACCOUNT

Is reported in Row 2.20 of the Tax return (Declaration)

Penalties accrued in favor of a natural person for delaying the refund of cash available on the unified account for repayment of tax obligations shall be regarded as deductible income ***(RA Tax Code, Article 327)***.

36. INCOME FROM TRANSPORTATION SERVICES PROVIDED BY ONE PASSENGER TAXI CAR.

Is reported in Row 2.21 of the Tax return (Declaration)

Income from transportation services provided by natural persons with use of one passenger-taxi cars shall be regarded as deductible income ***(RA Law on Road Transport, Article 17).***

Passenger transportation by passenger-taxi road vehicle can be provided by a natural person who has a road vehicle that meets the technical requirements and has appropriate license. The natural person can provide the passenger-transportation road vehicle services personally – in one car.

37. COMPENSATIONS RECEIVED BY AUTONOMOUS ENERGY PRODUCER (DEDUCTIBLE INCOME)

Is reported in Row 2.22 of the Tax return (Declaration)

Compensation received by an autonomous energy producer who uses renewable energy resources from an entity holding electricity distribution license, as well as in case of exchanged flows – compensations received as electricity for the electrical energy supplied by the autonomous energy producer to the entity holding electricity distribution license.

38. INCOME FROM SUPPLY (SALE) OF AGRICULTURAL PRODUCE (DEDUCTIBLE INCOME)

Is reported in Row 2.23 of the Tax return (Declaration)

Income of natural persons producing agricultural products, received from the supply (sale) of agricultural products.

Agricultural products shall mean products produced for final or intermediate consumption, through biological processing of animals and plants as a result of actions carried out by the taxpayer, in particular:

- crops of cereal grains and grain legume;
- technical crops, root and tuber, vegetable, melon and gourd crops and products of covered soil;
- forage crops of field cultivation, other products of forage production;
- products of gardens, vineyards, orchards, small fruit acreages and floriculture;
- seeds of trees and bushes, fruit seeds, seedlings of trees and bushes, plantings of trees and bushes;
- products of bovine animal breeding, products of swine breeding, products of sheep breeding and goat breeding, products of poultry breeding, products of horse breeding, buffalo breeding, donkey breeding and mule breeding, products of deer breeding, ostrich breeding and camel breeding, products of rabbit breeding, fur animal breeding and hunting economies;
- products of fish breeding, apiculture, silkworm cultivation, artificial insemination

EXAMPLE

During 2023, Samson, a resident of a village, grew wheat on the plot of land he owned. Part of the wheat was sold to "A" LLC, for which he received income of AMD 50.0 thousand.

In this case, the income received for the wheat is deductible (non-taxable) income for Samson because it was generated from the supply of agricultural produce.

As of December 31, 2023, Samson held a community service position defined by the RA Law "On Public Service", therefore, he must submit a Tax return (Declaration) to the tax authority, which is filled in as follows:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBLE INCOME

Type of deductible income		Income (AMD)
23. Income from supply (sale) of agricultural produce	2.23	50.000

39. INCOME FROM SECURITIES (DEDUCTIBLE INCOME)

Is reported in Row 2.24 of the Tax return (Declaration)

Deductible income obtained from securities are as follows:

- the interest received from treasury bonds, other state securities and bonds issued by the Panarmenian Bank, discount received during the repayment and/or the income generated from alienation, exchange with other securities or other similar transactions,
- the income generated from the participation in the organisation's authorised or share capital (stock, share, unit) or generated from the alienation of other securities proving investment, exchange with other securities or other similar transactions,
- the income derived from the securities proving the participation in the investment funds (including their alienation, exchange, other similar transactions, as well as transactions performed at the expense of the assets of the contractual investment fund),
- the income derived from stocks, bonds listed in stock exchange functioning in the Republic of Armenia or from other securities proving the investment, which were listed (allowed to trading) in the stock exchange (regulated market) operating in the Republic of Armenia not later than 31st December 2024, **except for**:

INCOME (TAXABLE INCOME) FROM BONDS ISSUED BY BANKS THE PERIOD FROM THE MOMENT OF PLACEMENT UP TO THE MOMENT OF REPAYMENT OF WHICH IS LESS THAN TWO YEARS.

Is reported in Row 1.2.16 of the Tax return (Declaration) if the income was received from a tax agent.

INCOME FROM SECURITIES QUALIFY AS TAXABLE INCOME:

Is reported in Row 1.2.16 of the Tax return (Declaration) if the income was received from a tax agent.

Is reported in Row 3.19 of the Return (Declaration), of the income was received from a non-tax agent (including tax agents exempt from the obligation of settling (paying) income tax).

- if such income is received from the alienation of a promissory note, bank-bill, or other payment security,
- if such income is received as compensation for the supply of goods, performance of works or delivery of services, or as substitute for such compensation irrespective of the actual investment or fact of lending against the security.

INCOME FROM SECURITIES IS REGARDED AS TAXABLE INCOME.

Is reported in Row 3.15 of the Tax return (Declaration)

- if they are received from the alienation of the participation (stock, share, unit) in the authorized or share capital through building, apartment, private house or other construction (including unfinished (semi-constructed)) or other securities proving investment, where that alienation is carried out within the tax year or within three tax years following it that includes the day of acquiring that participation (stock, share, equity share) in the authorized or share capital.

INCOME FROM SECURITIES QUALIFIES AS TAXABLE INCOME.

Is reported in Row 1.2.8 of the Tax return (Declaration) if the income is received from a tax agent.

Is reported in Row 3.12 of the Tax return (Declaration) if the income is received from a non-tax agent.

- if they are received as dividend, ***except for:***

DEDUCTIBLE INCOME - COLUMN 2.24

Is reported in Row 2.24 of the Tax return (Declaration)

Dividends received from bonds listed in the stock exchange operating in the RA. Moreover, is relates to the shares of stock, bonds, other securities attesting to investment, which were listed (allowed to trade) in the stock exchange (regulated market) operating in the RA no later than December 31, 2024.

EXAMPLE 1

RA resident Tigran is the only holder (owner) of resident "A" LLC. At the same time, the shares are not shares attesting to the investment in form of the building in the statutory capital of the LLC.

In the meantime, Tigran acquired bonds issued by the state.

In 2023, Tigran sold a certain number of shares confirming his participation to another individual at AMD 50.0 million. Moreover, the transaction of alienation of shares was not carried out on any basis defined Article 149 (2) of the Code.

During the same year, Tigran received interest in the amount of AMD 400.0 thousand from the bonds issued by the state.

In this case, income from the sale of shares and from bonds qualifies as deductible income (not subject to taxation). Hence, for 2023, in the Tax return (Declaration) submitted to the tax authority, Tigran fills in the mentioned income as follows:

TAX RETURN (DECLARATION)

SECTION 2. DEDUCTIBEL INCOME

Type of deductible income		Income (AMD
24. Income from securities	**2.24**	50.400.000*

*50400000 = (50.000.000 + 400.000)

EXAMPLE 2

RA resident Tigran is the sole holder (owner) of "A" LLC. The company was founded in January 2023, the size of the statutory capital is AMD 20.0 million and it was formed as a result of investment by Tigran in form of a building.

In December 2023, Tigran sold all the shares of the company for AMD 25.0 million to the natural person Ani.

Since in the given case, Tigran's income is generated from the sale of shares that attest to the investment in form of a building in the company's statutory capital and this sale was transacted during the same tax year, Tigran's income forms an object subject to income tax and is subject to taxation at the rate of 10%.

Moreover, the above-mentioned also applies to those cases when the alienation took place during the 3 tax years following the year of investment.

For 2023, the income indicated in the Tax return (Declaration) submitted by Tigran to the tax authority is reflected as follows:

TAX RETURN (DECLARATION)

SECTION 3. SETTLEMENT OF INCOME TAX FROM INCOME RECEIVED FROM NON-TAX AGENTS

Type of income		Income (AMD) 3.1	Rate 3.2	Income tax (AMD) 3.3
12) income from the sale of shares (stock, shares or holding) in the statutory capital or capital or other securities attesting to investment	**3.15**	25.000.000	**10%**	2.500.000

40. COMPENSATION RECEIVED FROM THE COMPENSATION FUND (DEDUCTIBLE INCOME)

Is reported in Row 2.25 of the Tax return (Declaration)

Compensations paid to natural persons based on the Law of the Republic of Armenia "On compensation for the damages caused to life or health of the servicemen while defending the Republic of Armenia".

The cases of compensation of harm caused to the servicemen's life or health while defending the Republic of Armenia, the scope of beneficiaries, the size and procedure of payment of compensation are specified in the RA Government Decree No 86-N of February 2, 2012.

41. OTHER DEDUCTIBLE INCOME

Is reported in Row 2.26 of the Tax return (Declaration)

Other deductible income includes:

- the lump-sum fees of the family members of deceased servicemen and of disabled servicemen received according to the legislation of the Republic of Armenia,
- income received from cumulative contributions made for (in favor of) the natural person according to the RA Law on Cumulative Pensions before expiry of the time established by the Law for acquisition of the eligibility of cumulative pension. Such income is received from the income from management of the cumulative contributions by the cumulative pension fund administrators.
- Works performed, services delivered to the servicemen or persons equalized thereto, or other in-kind (non-monetary) income thereof, as well as monetary provisions for the conscripted servicemen (cadets of military training institutions) ***(RA Law on Military Service and the Status of Serviceperson, Articles 64-66).***

- the prizes of the athletes who won in international contests playing on the national team of the Republic of Armenia, and their coaches,
- State rewards (prizes),
- the insurance premiums made by employers for the health insurance of their employees, in the amount of up to AMD 10 000 for each hired employee for each month of receiving income.