

Business relocation to Armenia



FORTE TAX & LAW

FOCUS ON YOUR BUSINESS

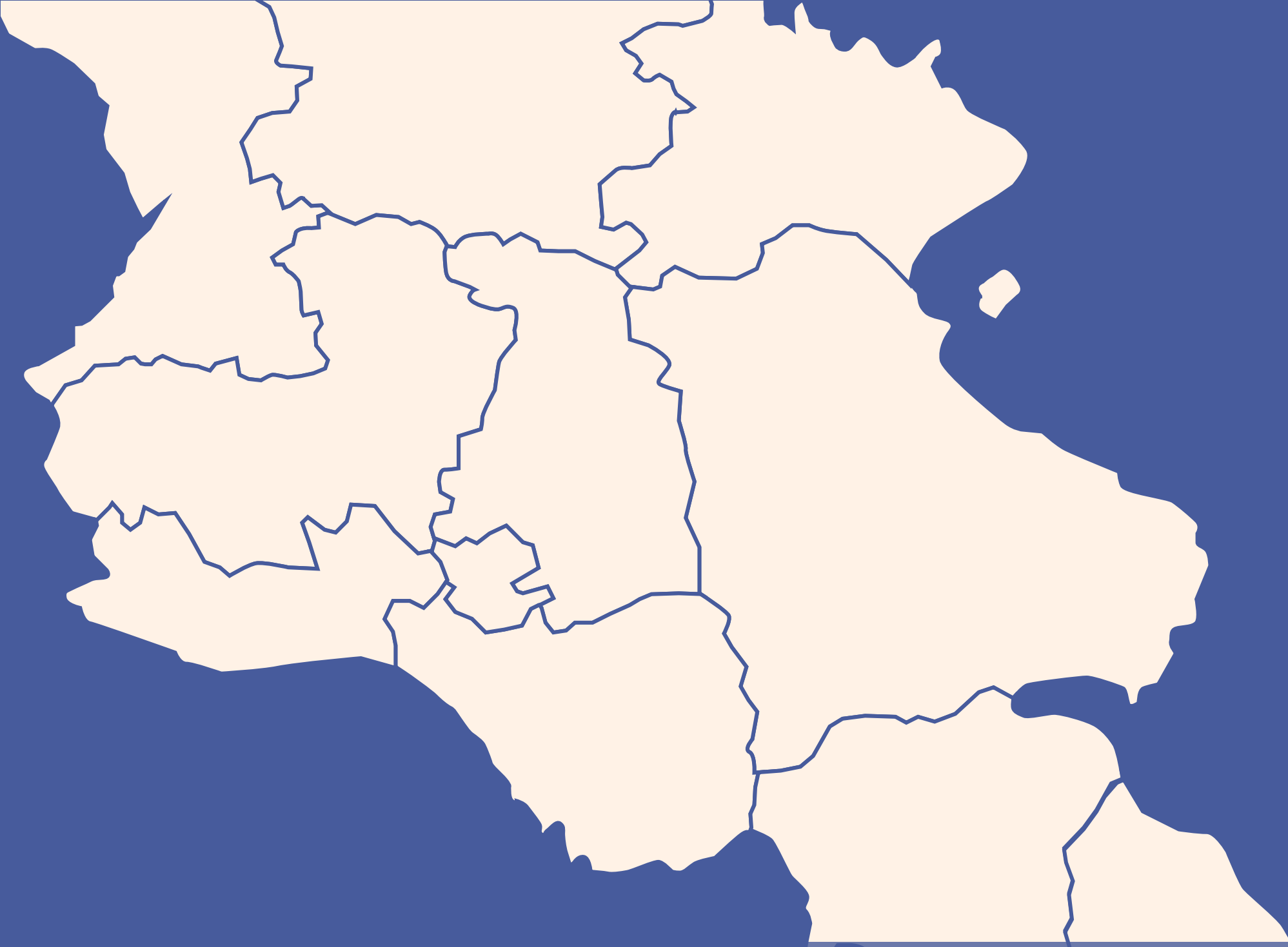


Corporate and Banking Services in Armenia

Local tax-free companies with local banking:

We offer a comprehensive and streamlined solution for setting-up and managing tax-free companies in Armenia, building tax efficient structures via those companies under over 48 double tax treaties signed by Armenia, and further providing support in opening bank accounts and conducting complex transactions.

◆ **Companies can conduct any kind of business activities which do not require special licensing in Armenia.**



Tax Optimization

0% corporate profit tax
dividend tax

- Remote company registration
- Remote bank account opening
- Not considered high-risk jurisdiction
- Low maintenance costs
- Double tax treaties with 47 countries
- No CRS reporting

Area
29,734
sq. m.

Population
2.99
million

Capital Yerevan
1.1 m
people

Outlook GPD
12.64 bln
USD

Country Rating
Ba3
Stable

Organizations

Armenia is a member of the following organizations



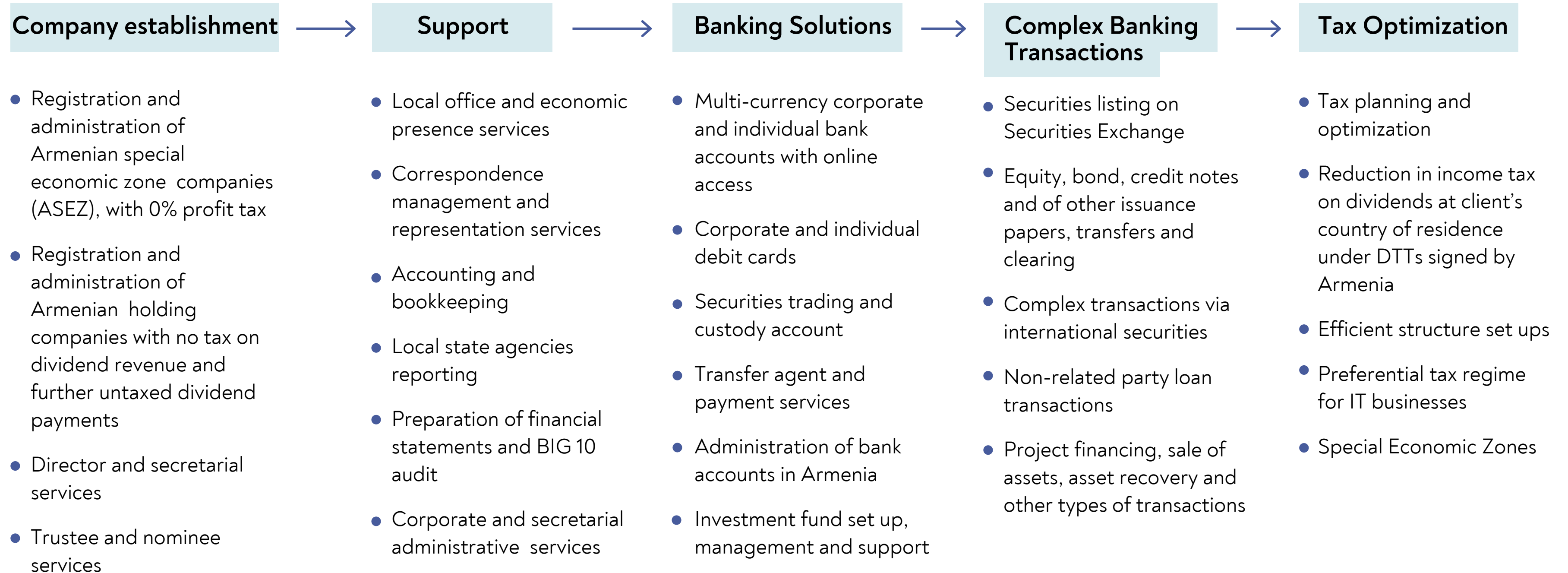
WORLD CUSTOMS ORGANIZATION



WORLD BANK GROUP



Our Services in Armenia



Taxes in Armenia

18%

Headline CIT rate

21%

Headline PIT rate

20%

Headline VAT rate

5%

WHT Dividends

Dividends WHT refund is allowed under certain conditions.

10%

WHT Interest

10%

WHT Royalties

Corporate capital gains tax rate: **18%**

Foreign taxes paid on non-domestic income can be offset against Armenian tax from the equivalent income in Armenia.

Network of 47 DTTs providing for preferential tax rates

Armenia-Russia DTT

5/10%

Dividends

10%

Interest

0%

Royalties

Armenia-Cyprus DTT

0/5%

Dividends

5%

Interest

5%

Royalties

Armenia-Netherlands DTT

0/5/15%

Dividends

5%

Interest

5%

Royalties

Tax concessions in Armenia

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graph TD; A[Tax concessions in Armenia] --- B[IT startup]; A --- C[Special Economic Zone (SEZ)]; A --- D[SME revenue-based flat rate tax regime]; A --- E[Microbusiness tax exemption];
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IT startup

Special
Economic Zone
(SEZ)

SME
revenue-based
flat rate
tax regime

Microbusiness
tax exemption

IT startup

IT startup regime (valid until December 31, 2022; extension expected). Subject to special state authorization known as IT startup certificate.

0%

CIT on income from IT

0%

VAT

10%

PIT (instead of 21%)

Eligibility criteria

Both Armenian individual entrepreneurs and companies are eligible

<30

employees

70%

of income from IT

Founders should not be shareholders of other IT startups (whether existing or liquidated)

Tax concessions in Armenia

SME revenue-based flat rate tax regime

NO
CIT

NO
VAT

Sales tax

1.5–5%

Eligibility criteria: SME with turnover < ADM 115,000,000 (approx. USD 230,000)

Tax concessions in Armenia

Special Economic Zone (SEZ)

0%
CIT

0%
VAT

Alliance SEZ located in Yerevan

Production and export of innovative technologies in engineering, pharmaceuticals and biotechnology, IT, alternative energy, industrial design and telecommunications

Meridian SEZ located in Yerevan

Goldsmithing, jewelery and watchmaking

Megri SEZ located in the south-east of Armenia

Agriculture, processing industry, trade, electricity supply, transportation and storage, specialized and technical activities, culture, tourism, entertainment and recreation

ECOS SEZ located in the city of Hrazdan, 50 km from Yerevan in the Kotayk region

Digital business and the production of innovative technological products and services

Microbusiness tax exemptions

NO
PIT

NO
CIT

NO
VAT

Both individual entrepreneurs and companies are eligible if annual turnover does not exceed AMD 24 million (approx. USD 48,000). Certain activities are not eligible for these tax concessions.

Microbusinesses are exempted from VAT, CIT and PIT (except for a lump-sum PIT on employees).

Incorporation in Armenia

Individual Entrepreneur

Foreigners can apply for IE status in Armenia

No restrictions on types of activities

May hire employees

Company

LLC (Limited Liability Company)

JSC (Joint Stock Company)

Investment Fund

LLC / JSC

Foreign individuals can open companies in Armenia without restrictions.

A foreign citizen (who does not have Armenian citizenship) can be a director of an Armenian company.

It is easy to set up a company. State registration of company is completed within 2 working days. If preparatory actions are taken into account, a company can be set up in a couple of weeks.

Physical presence in Armenia is not required to register a company as this can be done by proxy.

The law provides neither minimum nor maximum size for share capital.

Multi-currency bank accounts

Remote bank accounts in Armenia with corporate and individual debit cards, online banking and full transaction support.

Account Opening Fee	Corporate	Individual
Cyprus & other non-high risk	€ 2,000	
High-risk jurisdictions	€ 4,000	€ 1,000
Armenian companies	€ 1,000	

Transfers	% of amount	Min/Max
Incoming	0.2%	€ 800 MAX
Outgoing	0.5%	€ 80 MIN

Note: Outgoing and Incoming transfers should be from/to low-risk jurisdictions

Armenia is not part of Automatic Exchange of Information (AEOI) and CRS

7-15 days

Bank Account Opening

- Accounts opened by local director(s)
- Brief online interview with UBO
- Online account management
- EUR, USD, RUB, GBP, CNY and other currencies
- Transactions in/out preferably in different currencies

Brokerage and Investment Services

Access to fully serviced brokerage and custody account allows performing complex transactions through securities.

Issuance of bonds and credit notes and facilitating payments via securities.

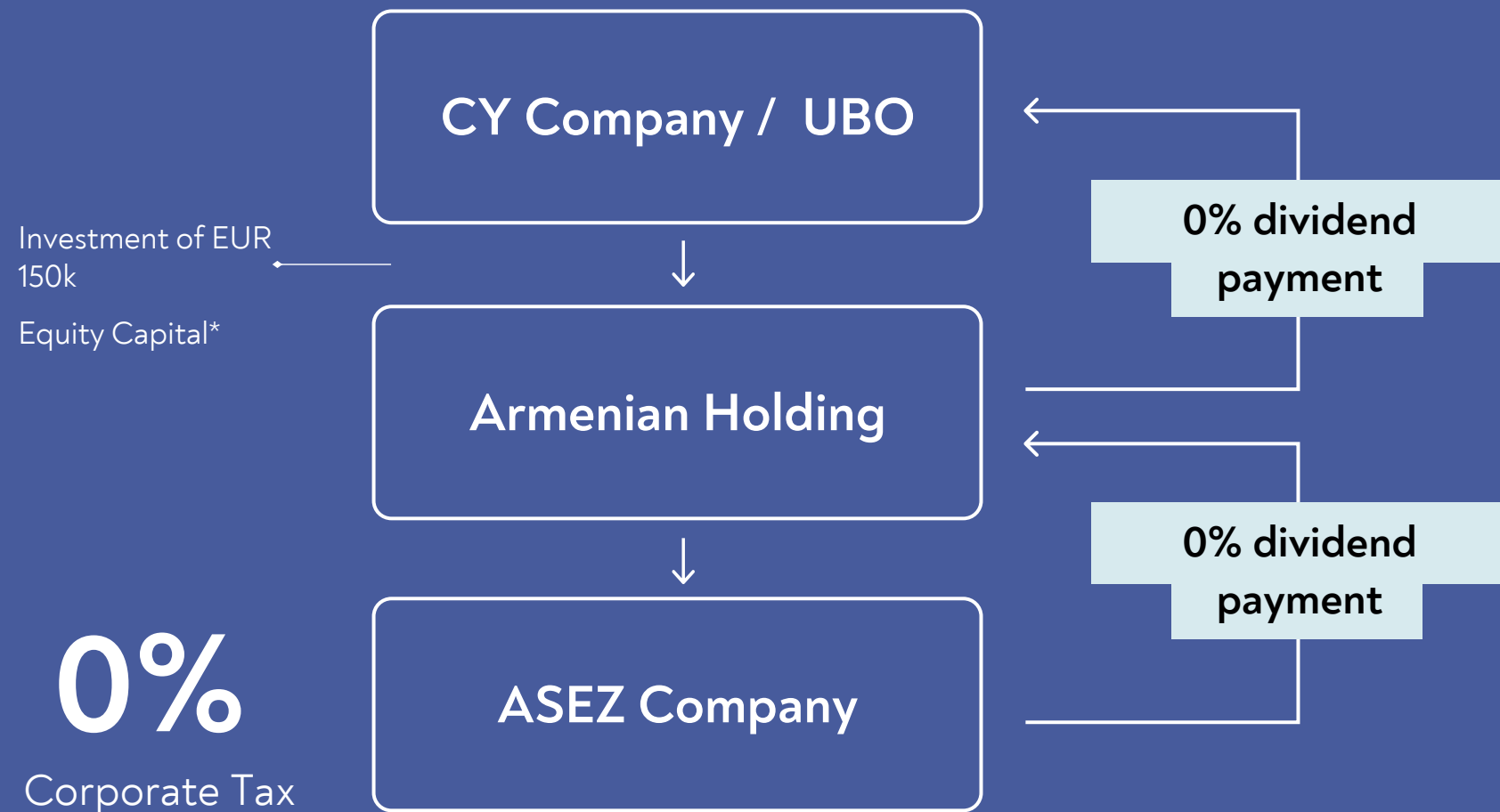
Listing on Armenia Securities Exchange (AMX)

Listing on AMX allows bypassing the requirement for disclosure of beneficiaries in other jurisdictions, specifically in Russia under Federal Law No. 115 (Article 7(1(2(2-5))))

Dividend Taxation

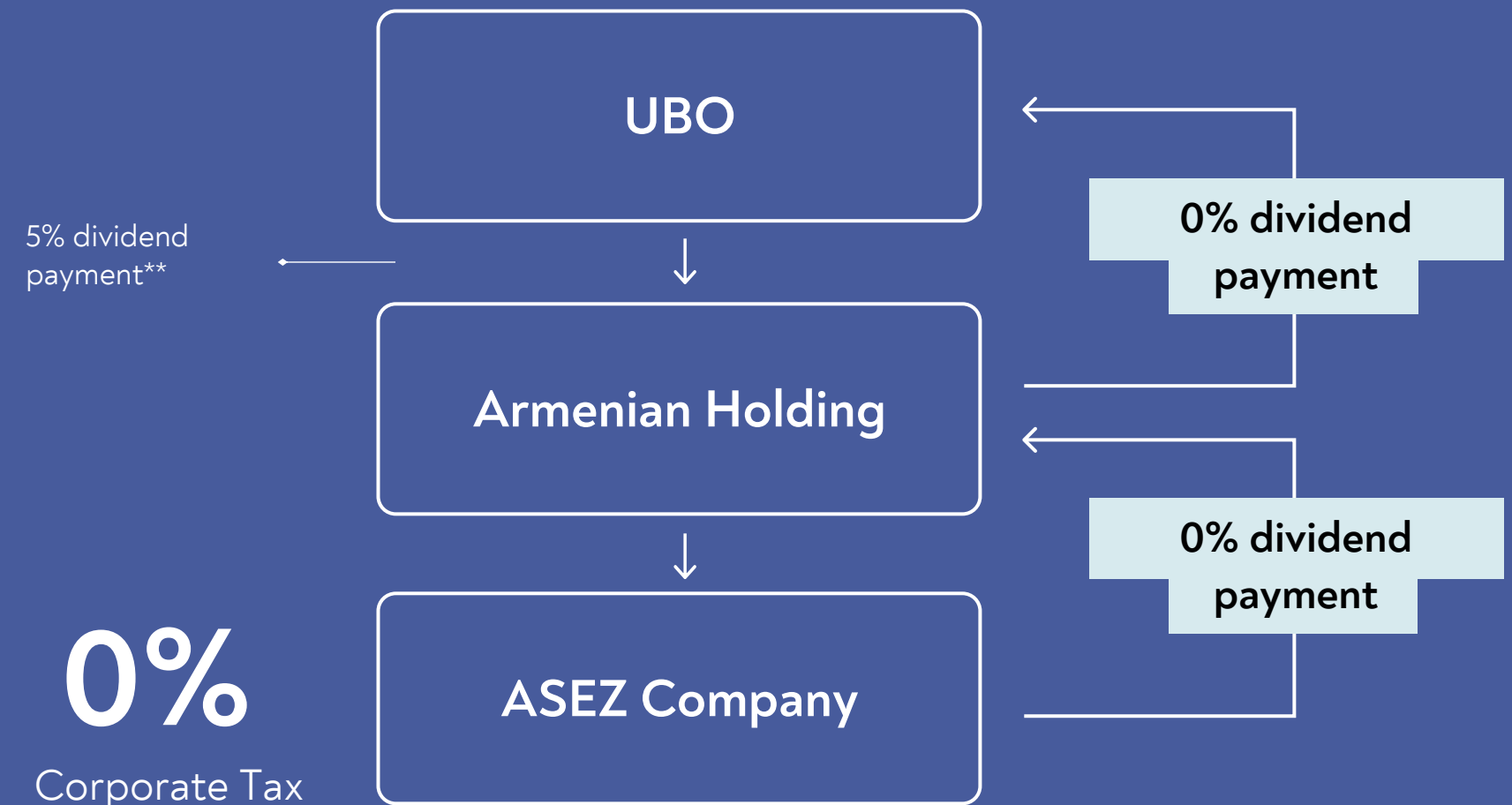
Tax for dividend payments

Option 1



* Under Armenia-Cyprus double tax treaty, dividends are subject to 0% rate if the beneficial owner has invested in the company's capital at least EUR 150k at the time of investment and 5% in all other cases.

Option 2



** Dividends paid can be fully reimbursed during the same period if reinvested in the company's capital. So, the effective rate is 0%. 5% may be deducted from personal income tax in country of residence if it has signed a DTT with Armenia or deduction is allowed under national law.

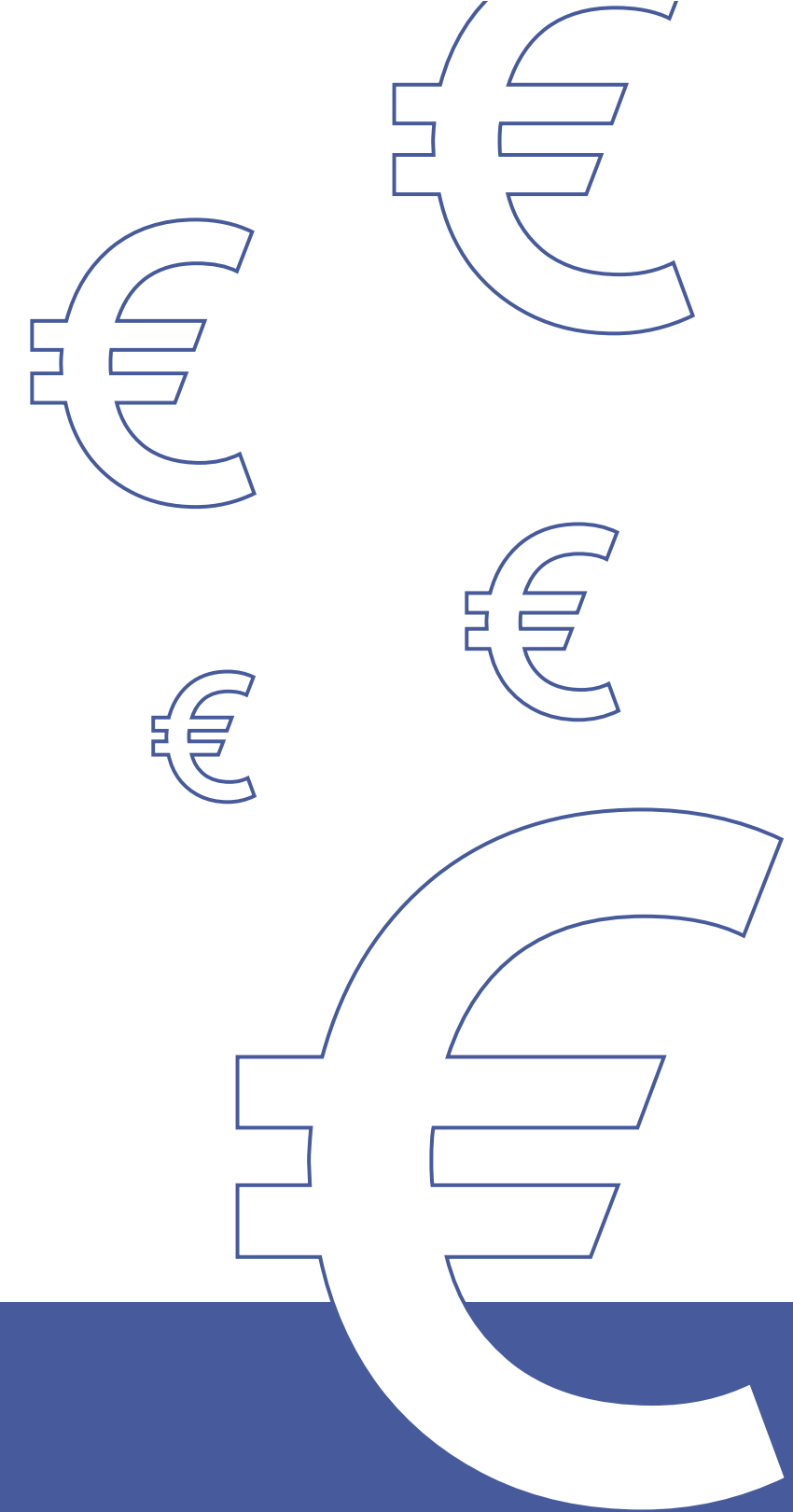
Company Establishment and Support Services

Preparation for registration (1-2 days)

- UBO passports, CV and 2 address proofs
- Signed Company Establishment Form
- Signed Terms and Conditions
- Signed Authorization Letter

Company registration in Armenia (2-5 days)

- Founder resolution for company establishment
- Appointment of director
- Approval of charter
- Power of attorney for company establishment

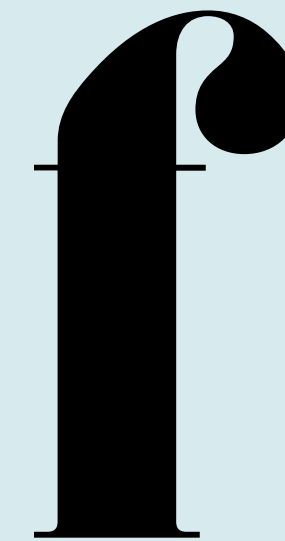


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