



# Taxation of international executives: Armenia



31 January 2023

# Contents

<b>1</b>	<b>Overview and Introduction</b>	<b>4</b>
<b>2</b>	<b>Income Tax</b>	<b>6</b>
<b>3</b>	<b>Special considerations for short-term assignments</b>	<b>15</b>
<b>4</b>	<b>Other taxes and levies</b>	<b>17</b>
<b>5</b>	<b>Immigration</b>	<b>21</b>

**01**

# **Overview and Introduction**

# 1 Overview and Introduction

Residents are taxed on their worldwide income. Non-residents are taxed only on their Armenian-sourced income. The tax year for individuals is the calendar year.

Tax rates vary according to the type of income. The standard income tax rate is 20 percent for 2023.

The official currency of Armenia is the Armenian Drams (AMD).

Herein, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assignee lives when they are not on assignment.

**02**

# **Income tax**

# 2 Income Tax

## 2.1 Tax returns and compliance

**When are tax returns due? That is, what is the tax return due date?**

20 April.

**What is the tax year-end?**

31 December.

**What are the compliance requirements for tax returns in Armenia?**

### Residents

Employers are required to calculate income tax on a monthly basis from their employees' salaries and transfer these amounts to the state budget, no later than the 20th day of the month following the month of calculation.

The Armenian resident individual receiving the income from sources other than Armenian legal entities shall declare it to the tax authorities and shall pay the tax themselves.

### Non-residents

Income tax on income received by non-residents from tax agents is normally withheld at the source.

Amounts withheld (imposed) by a tax agent shall be considered as the final amount of the income tax for non-residents.

Non-residents will have an obligation to submit an Annual Income Tax Return only in the event they receive an income from Armenian sources but not through tax agents.

## 2.2 Tax rates

**What are the current income tax rates for residents and non-residents in Armenia?**

### Residents

Income tax rate on wages and salaries of Armenian citizens, foreign citizens, and persons without citizenship starting 1 January 2023 is 20 percent.

### Non-residents

The same rates of income tax are applicable for non-residents.

## 2.3 Residence rules

**For the purposes of taxation, how is an individual defined as a resident of Armenia?**

The Tax Code provides that the following persons shall be deemed to be tax residents.

- Individuals, who, during tax year (from 1 January to 31 December, inclusive), totally has spent 183 days or more in the Republic of Armenia (RA).
- Individuals, whose center of vital interests are in the RA<sup>1</sup>.
- Individuals, who are in the civil service of the RA, but are temporarily working outside Armenia.

**Is there, a de minimum number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.**

No.

**What if the assignee enters the country/jurisdiction before their assignment begins?**

No special implications. The residency of the assignee does not depend on the beginning of the assignment.

## **2.4 Termination of residence**

**Are there any tax compliance requirements when leaving Armenia?**

There are no special requirements upon leaving the country/jurisdiction. In case of residency, the Annual Income Tax Return should be submitted for the tax year.

**What if the assignee comes back for a trip after residency has terminated?**

No special implications.

## **2.5 Economic employer approach**

**Do the taxation authorities in Armenia adopt the economic employer approach to interpreting Article 15 of the Organisation for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Armenia<sup>2</sup>**

The Economic Employer approach is not adopted by Armenian tax authorities.

## **2.6 Communication between immigration and taxation authorities**

**Do the immigration authorities in Armenia provide information to the local taxation authorities regarding when a person enters or leaves Armenia?**

Yes (on a case-to-case basis).

## **2.7 Filing requirements**

**Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?**

Being treated as tax resident in Armenia, the assignee will have an obligation to submit Annual Income Tax Return in host country/jurisdiction (Armenia) for tax year.

## **2.8 De minimus number of days**

**Are there a de minimus number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimus number of days?**

N/A.

## **2.9 Types of taxable compensation**

**What categories are subject to income tax in general situations?**

As a general rule, all types of remuneration and benefits received by an employee for services rendered constitute taxable income. These include, but are not limited to, the following:

- wages and salaries
- interests
- dividends
- royalties
- income from leasing
- benefits-in-kind.

## 2.10 Intra-group statutory directors

**Will a non-resident of Armenia who, as part of their employment within a group company, is also appointed as a statutory director (i.e., member of the Board of Directors in a group company situated in Armenia trigger a personal tax liability in Armenia, even though no separate director's fee/remuneration is paid for their duties as a board member?**

No.

**Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Armenia?**

No.

**Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Armenia (i.e., as a general management fee where the duties rendered as a board member is included)?**

No.

**In the case that a tax liability is triggered, how will the taxable income be determined?**

N/A.

## 2.11 Tax-exempt income

**Are there any areas of income that are exempt from taxation in Armenia? If so, please provide a general definition of these areas.**

The following are several types of income that are exempt from income tax: income from securities, such as:

- income from sale of stocks and other investment securities
- interest or discount received from government bonds and other government securities as well as bonds issued by the Pan-Armenian Bank
- income from trading in government securities and bonds issues by the Pan-Armenian Bank
- income from securities providing participation in the investment funds
- income received from shares, bonds or other securities listed on the stock exchange in the Republic of Armenia, except for those bonds issued by banks, the maturity of which is less than 2 years from the moment of placement.
- the property and monetary means which have been inherited or received as a gift, received from individuals
- assets, services and work received from non-profit organizations free of charge
- property and cash provided by foreign as well as intergovernmental organizations without compensation



- insurance compensation
- scholarship and stipends.

## 2.12 Expatriate concessions

### Are there any concessions made for expatriates in Armenia?

There are no concessions for expatriates in Armenia.

## 2.13 Salary earned from working abroad

### Is salary earned from working abroad taxed in Armenia? If so, how?

Residents are taxed on worldwide income. Non-residents are taxed only on Armenian-sourced employment income.

## 2.14 Taxation of investment income and capital gains

### Are investment income and capital gains taxed in Armenia? If so, how?

There is no capital gains tax in Armenia. However,

- incomes received from the tax agents as a result of the sale of the property are subject to 10 percent Income tax.
- incomes received from the alienation of the building, its apartments or other premises by the developer are subject to 20 percent income tax .

The income received from the alienation of the land is not subject to income tax.

## 2.15 Dividends, interest, and rental income

Type of Income	Rate
Interest*	20%
Royalty	10%
Rentals**	10%
Dividends***	5%***

\* Starting from 01.01.2023 income tax rate on interests received from bank deposits and publicly offered deposits, as well as from debt securities traded in a regulated market is 10%. For other interests' general 20% income tax rate applies.

\*\* In case the total sum of the rentals received during the tax year exceeds AMD60 million, an additional income tax at a 10 percent rate shall be calculated for the exceeding part.

\*\*\* Tax Code provides an opportunity to refund from the state budget tax amounts paid to the state budget from dividends, in case during the year these dividends are received they are invested according to the procedure established by the legislation in the charter or share capital of the same RA resident entity that pays dividends.

\*\*\* 5 percent rate applies to the dividends related to profits attributable to the periods after 1 January 2020 received by citizens of Armenia and foreign citizens (dividends received by foreign citizens related to profits attributable to 2017-2019 tax years are taxed by 10 percent of income tax).

Dividends received from shares listed on stock exchange operating in the republic of Armenia are exempt from income tax.

## 2.16 Gains from stock option exercises

Residency status	Taxable at:		
	Grant	Vest	Exercise
Resident	N	Y	N
Non-resident (foreign citizen)	N	Y	N
Other (if applicable)	N/A	N/A	N/A

## 2.17 Foreign exchange gains and losses

Not applicable.

## 2.18 Principal residence gains and losses

Not applicable.

## 2.19 Capital losses

Not applicable.

## 2.20 Personal use items

Not applicable.

## 2.21 Gifts

Gifts provided to individuals by tax agents are taxed as other income.

## 2.22 Additional capital gains tax (CGT) issues and exceptions

**Are there additional capital gains tax (CGT) issues in Armenia? If so, please discuss?**

There is no capital gains tax in Armenia.

**Are there capital gains tax exceptions in Armenia? If so, please discuss?**

Not applicable.

## 2.23 Pre-CGT assets

Not applicable.

## 2.24 Deemed disposal and acquisition

Not applicable.

## 2.25 General deductions from income

### What are the general deductions from income allowed in Armenia?

Voluntary cumulative pension contributions performed by the individual and (or) a third party (including employer) are deducted from the gross income by the amount not exceeding 5 percent of the gross income of the individual.

## 2.26 Tax reimbursement methods

### What are the tax reimbursement methods generally used by employers in Armenia?

Employers are required to calculate income tax on a monthly basis from their employees' salaries and transfer these amounts to the state budget. There is no reimbursement method used in Armenia.

## 2.27 Calculation of estimates/prepayments/withholding

### How are estimates/prepayments/withholding of tax handled in Armenia? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

Employers are required to calculate income tax on a monthly basis from their employees' salaries and transfer these amounts to the state budget.

## 2.28 Pay-as-you-go (PAYG) withholding

Not applicable.

## 2.29 PAYG installments

Not applicable.

### When are estimates/prepayments/withholding of tax due in Armenia? For example: monthly, annually, both, and so on.

It depends on type of income. If it is salary, income tax withholdings are made for each month, for other type of income, income tax withholdings are made for each payment.

Amount of income tax calculated based on annual tax returns paid annually by individuals.

## 2.30 Relief for foreign taxes

### Is there any Relief for Foreign Taxes in Armenia? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Income tax payable by residents of the RA shall be reduced by the amount of tax withheld from them in foreign countries/jurisdictions, pursuant to the legislation thereof (with the exception of the amount of tax withheld in foreign countries/jurisdictions from income subject to deduction from gross income, pursuant to the legislation of the RA). The amount of the deducted (credited) tax should not exceed the amount of the tax payable in Armenia on income received in foreign countries/jurisdictions, in accordance with the provisions of Tax Code.

Where the amount of the income tax subject to reduction exceeds the income tax liability respectively for the given reporting year, the amounts of taxes in excess shall be subject to reduction from the liabilities of the following reporting years of the individual.

In addition to above domestic arrangements that provide foreign tax credit, Armenia has entered into double tax treaties with 51 countries/jurisdictions to prevent double taxation and allow cooperation between Armenia and other tax authorities in enforcing their respective tax laws.

## 2.31 General tax credits

**What are the general tax credits that may be claimed in Armenia? Please list below.**

Not applicable.

## 2.32 Sample tax calculation<sup>3</sup>

This calculation assumes a married taxpayer resident in Armenia with two children whose 3-year assignment begins **1 January 2022 and ends 31 December 2024**. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers 3 years.

	2022 AMD	2023 AMD	2024 AMD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Company car	6,000	6,000	6,000
Moving expense reimbursement	20,000	-	20,000
Home leave	-	5,000	-
Education allowance	3,000	3,000	3,000

Exchange rate used for calculation: **USD1.00 = AMD395.88 (30 Jan 2023)**

### Other assumptions

- All earned income is attributable to local sources.
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year.
- Interest income is not remitted to Armenia.
- The company car is used for business and private purposes and originally cost USD50,000.
- The employee is deemed resident throughout the assignment.
- Tax treaties and totalization agreements are ignored for the purpose of this calculation.

### Calculation of taxable income

Year Ended	2022 AMD	2023 AMD	2024 AMD
Days in Armenia during year	365	365	366
Earned income subject to income tax	67,695,480	61,757,280	67,695,480
Salary	39,588,000	39,588,000	39,588,000
Bonus	7,917,600	7,917,600	7,917,600
Cost-of-living allowance	3,958,800	3,958,800	3,958,800
Net housing allowance	4,750,560	4,750,560	4,750,560
Company car	2,375,280	2,375,280	2,375,280
Moving expense reimbursement	7,917,600	-	7,917,600
Home leave	-	1,979,400	-
Education allowance	1,187,640	1,187,640	1,187,640
Total earned income	67,695,480	61,757,280	67,695,480
Other income/Interest	2,375,280	2,375,280	2,375,280
Total income	67,695,480	61,757,280	67,695,480
Total taxable income	67,695,480	61,757,280	67,695,480

### Calculation of tax liability

	2022 AMD	2023 AMD	2024 AMD
Taxable income as above	67,695,480	61,757,280	67,695,480
Armenian tax thereon	14,216,051	12,351,456	13,539,096
Less:	-	-	-
Domestic tax rebates (dependent spouse rebate)	-	-	-
Foreign tax credits	-	-	-
Total Armenian tax	14,216,051	12,351,456	13,539,096
Income tax on interest*	237,528	475,056	475,056

\* Income tax rate on interest was 10% in 2022, however starting from 01.01.2023 income tax rate on interests received from bank deposits and publicly offered deposits, as well as from debt securities traded in a regulated market is 10%. For other interests' general 20% income tax rate applies.

**03**

**Special considerations  
for short term  
assignments**

# 3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

## 3.1 Residency rules

**Are there special residency considerations for short-term assignments?**

Immigration rules of Armenia do not distinguish short-term or long-term assignments. In every case, the foreigner should obtain work permit (which is issued jointly with residency permit) for signing a labor agreement.

## 3.2 Payroll considerations

**Are there special payroll considerations for short-term assignments?**

No.

## 3.3 Taxable income

**What income will be taxed during short-term assignments?**

The income received from Armenian sources, if assignee spent in Armenia less than 183 days.

## 3.4 Additional considerations

**Are there any additional considerations that should be considered before initiating a short-term assignment in Armenia?**

No.

**04**

# **Other taxes and levies**



# 4 Other taxes and levies

## 4.1 Social security tax

**Are there social security/social insurance taxes in Armenia? If so, what are the rates for employers and employees?**

Starting from 1 January 2013 there are no social security taxes. Instead, currently social payments are withheld from salaries of certain group of employees, falling under the law requirements.

The base for calculation of the social payment is the basic income, which is salary and other payments equal thereto which are subject to taxation by income tax.

The Employer, as a tax agent, is obliged to withhold the amount of social payment as well as submit monthly personalized reports to the tax authorities on calculated income, amounts of tax and social payments withheld from individuals within the terms established by the RA Tax Code.

No social payments are made by employers.

The social payment rates starting 1 January 2023 are the following:

Monthly gross salary	Social payment rate	Maximum monthly threshold
Up to AMD500,000	5%	Starting 01.01.2023 the maximum monthly threshold of the calculation basis for social payment is AMD1,125,000. This means that in 2023 the maximum amount of the Social Payment is capped at AMD87,500.
AMD500,000 and above	10% - 25,000	

## 4.2 Gift, wealth, estate, and/or inheritance tax

**Are there any gift, wealth, estate, and/or inheritance taxes in Armenia?**

No

## 4.3 Real estate tax

**Are there real estate taxes in Armenia?**

New types of taxes are entered into force effective 1 January 2021 - **real estate tax and vehicles property tax**, instead of previous **property tax and land tax**.

### Real estate tax

Object liable to **real estate tax** shall be immovable property - land plots and their improvements (underground and surface buildings or constructions built on land plots).

The tax base of real estate is the cadastral value approximated to the market value of the property. For agricultural land, tax base is the estimated net cadastral income.

State Cadaster of Real Estate carries out real estate valuation or revaluation once in each 3 years.

The tax rate on public buildings is 0.3 percent and for industrial buildings 0.25 percent annually on the tax base.

For dwellings and other buildings, progressive tax rate from 0.05 percent to 1.5 percent is applied.

For 2021-2026 tax years the real estate tax (except for tax for agricultural land) is calculated in the following percentages of the real estate tax calculated based on cadastral value of property and tax rates provided by Tax Code:

Period	Applicable %
2021	25%
2022	30%
2023	35%
2024	50%
2025	75%
2026 and after this period	100%

For agricultural land, the rate of real estate tax is 15 percent of the estimated net cadastral income. For non-agricultural lands, the property tax is applied from 0.25 percent to 1 percent depending on the purpose of the use of the land.

Local self-governed authorities (communities, city hall, rural municipality) shall calculate the taxpayer's real estate tax and notify the taxpayer about their liabilities by the **November 1** of current tax year.

Individuals should pay real estate tax annually by the **December 1** of current tax year.

### Vehicles property tax

Objects liable to **vehicles property tax** shall be vehicles. The tax base for motor vehicles is their engine power.

Local self-governed authorities (communities, city hall, rural municipality) shall calculate the taxpayer's vehicles property tax and notify the taxpayer about their liabilities

Vehicles property tax shall be paid annually by 1 December of current tax year, however for vehicles subject to annual technical inspection owned by individuals, the vehicles property tax liability should be paid before current tax year annual technical inspection.

## 4.4 Sales/VAT tax

### Are there sales and/or value-added taxes in Armenia?

There are no sales or VAT taxes relevant to assignees.

## 4.5 Unemployment tax

### Are there unemployment taxes in Armenia?

No.

## 4.6 Other taxes

### Are there additional taxes in Armenia that may be relevant to the general assignee?

For example, customs tax, excise tax, stamp tax, and so on.

#### Stamp fee

According to the RA Law "On Compensation for Fallen or Wounded Soldiers during the Defense of the Republic of Armenia" RA resident individuals who work on the RA territory or outside the RA territory and non RA residents who work on the RA territory shall pay to the state budget a stamp fee for each month starting 1 January 2017. The stamp fee is withheld by employer/tax agent on a monthly basis from their employees' salaries and transfer these amounts to the specified bank account. Starting from 1 January 2021 Stamp fee amounts for individuals are as follows:

#### Import duty

From 2 Jan 2015 Armenia entered into the **Eurasian Economic Union (EAEU)**. Member states of the EAEU are Republic of Armenia, **Republic of Belarus, Republic of Kazakhstan, Kyrgyz Republic and Russian Federation.**

- Import from the EAEU member states No customs duties are levied.
- Import from non-EAEU member states Customs duties are calculated based on common customs tariff rates of the Union, with the exception of customs duties for the goods imported to the Republic of Armenia within the timeframes specified by appendix 4 of the Joining of the Republic of Armenia to the Treaty on Eurasian Economic Union, for which rates different from the Union's common customs tariff rates are established.

However, without any customs duties individuals may transport through the customs border of the RA as accompanying cargo goods not exceeding the equivalent of established RA Government Decrees.

#### Foreign Financial Assets

### Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

No.

**05**

# **Immigration**

# 5 Immigration

**Following is an overview of the concept of Armenia's immigration system for skilled labor.**

(E.g., which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process)

This summary provides basic information regarding business visits to, and work authorization for, Armenia. The information is of a general nature and should not be relied upon as legal advice.

Most foreign nationals who intend to engage in active, productive employment for Armenian entity will need a Temporary Residence Card and Work Permit. Depending on the purpose of travel to Armenia and the nationality of the traveler, there are different types of visas that will apply to the occasion, and which vary in their processes and processing times. For all work authorization types, foreign nationals must coordinate with their employer to collect and legalize corporate and personal documentation.

Citizens of EAEU (Eurasian Economic Union) member states have the right to unrestricted access to the Armenian labor market. A work permit won't be required to work in Armenia.

Unless evidence can be provided that one is an EAEU national, a permit will be required to work in Armenia.

Armenia distinguishes further between Non-Visa Nationals and Visa Nationals. Non-Visa Nationals can enter Armenia for business visitor purposes without the need to apply for an entry visa.

However, a Non-Visa national may not start working until the appropriate work permit and residence permit has been issued.

Visa Nationals should apply for visa before entering Armenia. The Armenian embassy/consulate abroad or border-control points are responsible for visa applications. Also, foreign citizens can obtain an entry visa through the E-VISA system ([E-Visa \(mfa.am\)](http://E-Visa(mfa.am))). Entry visas are issued for a period of up to 120 days of stay, with the possibility of extension for a maximum period of up to 60 days. Citizens of the countries for which a visa-free entry regime has been established for RA can stay in the territory of the RA for a maximum period of 180 days within a year. So, the entry visa must generally be converted to a work permit and Residence Card upon arrival in Armenia.

Residence and work permits might be obtained prior or after arriving to Armenia.

## 5.1 International Business Travel/Short-Term Assignments

**Describe (a) which nationalities may enter Armenia as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.**

The Government of Armenia provides the list of the countries/jurisdictions whose citizens are unilaterally exempted from the requirement of obtaining a visa. Citizens of foreign countries/jurisdictions for whom a visa-free regime is set can stay on the territory of the Republic of Armenia for not more than 180 days during 1 year if no other term is defined by the international agreements of the Republic of Armenia.

There are also certain countries/jurisdictions with which Armenia has a visa-free regime according to bilateral and multilateral agreements. If foreign nationals visit Armenia as either tourists or business visitors, they are allowed to enter Armenia using their passports for up to 120 days. This period can be extended for another 60 days.

List of the countries/jurisdictions, with visa exemptions for entry into Armenia are the followings:

- [List of countries/jurisdiction](#) (PDF 188 KB) (countries/jurisdictions whose nationals are exempted from the requirement to obtain a visa to enter Armenia)
- [Visa not required for the citizens of these countries/jurisdictions](#) (PDF 322 KB) (countries/jurisdictions whose nationals holding the mentioned type of valid passports are exempted from the requirement to obtain a visa to enter Armenia based on the principle of reciprocity).
- In Armenia, visitors are generally free to perform the following activities:
  - participating in cultural, sporting, scientific and other events, forums and conferences organized in Armenia
  - implementing technical assistance and short-term humanitarian, charitable and financial support projects
  - taking part in business negotiations
  - carrying out employment activities within secondments
  - launching economic activities (founding a commercial organization, founding a branch or representative office of a commercial organization of a foreign State, making an investment in Armenia, carrying out import and export of goods and services)
  - carrying out international air or land carriage of passengers.

**Describe (a) the regulatory framework for business traveler being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.**

Visa nationals are required to obtain an entry visa to be able to enter into Armenia for business visitor activities. The entry visa is typically issued for single entry unless otherwise provided for by the legislation or the international treaties of Armenia.

Entry visa eligible for in-country/jurisdiction extension for a period of up to 60 days.

The Government of Armenia defines the list of the countries/jurisdictions, whose nationals should apply for an [entry visa upon invitation](#) (PDF 418 KB) to the Armenian embassy/consulate in the respective country/jurisdiction of residence in order to be allowed to enter Armenia for up to 120 days rolling period.

In regard to the permitted activities and permitted duration of stay, please see previous section.

**Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.**

Visa nationals can enter Armenia through state border crossing points, on the basis of availability of a valid passport, on the basis of an entry visa or a document attesting the residence status and in case of availability of authorization of an authorized state administration body of the Government of Armenia carrying out border control. Entry visa could be obtained upon arrival in Armenia and upon invitation.

Entry visa is obtained:

- **upon arrival in Armenia (provided immediately at the border.)**
- **upon invitation (15-20 working days)**

Foreigners may be given an invitation to visit Armenia:

- a. by a citizen of the Republic of Armenia residing in Armenia by a foreigner with a residence status in Armenia
- b. by legal persons registered in Armenia
- c. by state bodies, local self-government bodies of Armenia, embassies, consular offices, and international organizations or their representations accredited in Armenia.

When submitting an invitation to the Consular Department of Ministry of Foreign Affairs of Armenia for approval, the citizens referred to in point (a) above shall submit a passport, the persons referred to in point (b) above — a passport and residence card (special passport of the Republic of Armenia), and legal entities referred to in point (c) above — a carbon copy of the registration certificate issued by the State Register Agency of Legal Entities of Armenia.

The persons referred to in this part shall also submit information on covering by the inviter their living expenses, including those incurred from possible medical aid and departure from Armenia, or an undertaking on covering all those expenses by them, by submitting in both cases a state duty payment receipt.

An invitation shall contain data on the invitee and the inviter, the purpose of the invitation, as well as on the periods of stay of the invitee in Armenia.

### **Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?**

No such programs or visa categories are defined under the Armenian legislation.

## **5.2 Long-Term Assignments**

### **What are the main work permit categories for long-term assignments to Armenia? In this context outline whether a local employment contract is required for the specific permit type.**

#### **Work Permit (local employment contract for Armenia required)**

Work Permit - authorization of an authorized state administration body of the Government of Armenia, which entitles a foreigner to work for Armenian entity.

Employers of Armenia shall be entitled to conclude an employment contract (contract on delivery of services) with a foreign worker and use their work based on the work permit issued for the foreign worker by the authorized body.

The Employer submits an application through the official website of Migration Service of RA: <https://workpermit.am/>. Before submitting the application, the Director of the company should activate its electronic signature on the ID Card, so that the company can register and upload information about the Employee, such as: name, gender, date of birth, citizenship, country of permanent residence, passport details, education level, email address, phone number.

The Employer also upload the following documents:

- scanned copy of the document certifying the employer's obligation to employ the foreign citizen;
- scanned copy of the document confirming the education;
- color photo 35x45 mm;
- payment receipt of the state duty (AMD 105,000, approximately USD 265 - paid by the Employee).

The Migration Service issues the work and residence permits within 30 days after submitting the application. The applicant or authorized person receives the card from the Migration Service, by submitting the copy of the passport of the applicant, and in case when the authorized person receives the card, the copy of the passport of the authorized person and the power of attorney (in simple form) must be submitted also.

Due to the regulations of the Eurasian Economic Union, citizens of EAEU are entitled to perform labor activity without obtaining work permit.

#### **Employment contracts**

An employment contract (contract on delivery of services) shall be concluded for certain period of time, which will be the basis for the term of the work permit. An employment contract (contract on delivery of services) shall also cover issues related to transportation to Armenia of a foreign employee and their family members, social security and insurance thereof, issues related to meeting them, providing with accommodation, keeping on records in the place of residence, and the return thereof.

In case of termination of activities of the employer, the foreign worker shall be entitled to conclude a new employment contract (contract on delivery of services) with another employer for the remaining validity period of the work permit, provided not early than 2 months are left till the expiry of the mentioned period, and the new employer has obtained the consent of the authorized body.

The employer shall, within 10 working days upon concluding an employment contract (contract on delivery of services) with a foreigner, submits the scan thereof to the workpermit.am for the purpose of keeping on records. The authorized body shall, on a regular basis, post on its official website the information on an employment contract and the amendments made thereto.

### **Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).**

#### **Obtaining of work permit by the employer**

- 1 Document gathering, translations, if necessary, etc. (1-2 weeks)
- 2 File and submit application with Immigration Authorities to obtain a work permit by the Employer (30 business days)

Work permit is issued for a period of validity of an employment contract.

#### **Obtaining of residence permit by the employee**

- Entry visa obtaining (1 day (upon arrival to Armenia) or 15-20 working days (upon invitation))
- Travel to Armenia (1 day)
- Book appointment with Immigration authorities and file application for final permit (1-2 days)
- Attend appointment and provide biometric data for final data
- Pick up temporary residence permit (30 days)

Temporary residence permit shall be granted for a period of up to 1 year with a possibility of extension by 1 year each time.

### **Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?**

The minimum monthly salary in Armenia is AMD75,000 (approx. USD190), which does not include taxes, social payments, supplements, bonuses and other incentive payments.

### **Is there a fast-track process which could expedite the visa/ work permit?**

Currently there is no fast-track option for Armenia.

### **At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?**

The employee is permitted to start working, when the work permit is obtained by the employer.

### **Can a short-term permit/ business visa be transferred to a long-term permit in Armenia?**

Immigration rules of Armenia do not distinguish short-term or long-term permits. Work and residence permits are issued for a period of one year, with the possibility of extension.

If extension is not be possible, the applicant would need to leave Armenia.



### **Is it possible to renew work and residence permits?**

The Legislation of Armenia provides the possibility to extend the validity of work permit and temporary residence permit. An application for extension by an employer or a foreigner can be submitted no earlier than 60 days before the expiration of the current temporary residence status and no later than 30 days before.

### **Is there a quota or system or a labor market test in place?**

Armenia does not have a quota system. However, the Migration Service may refuse to issue a work permit to a foreign citizen on of the grounds that the vacant position at the Armenian entity can be filled with citizens of Armenia.

Employers of Armenia shall be entitled to conclude an employment contract (contract on delivery of services) with a foreign employee and use their work based on the work permit issued for the foreign employee by the authorized body. When issuing a work permit for a foreign worker, the authorized body shall take into account the needs and developments of the labor market of the Republic of Armenia.

With a view of assessing the needs of the labor market of Armenia, the RA Migration Service, in the case of having a candidate of a suitable Armenian citizen for the given vacant position, submits a proposal to the employer to fill the corresponding vacant position with an Armenian citizen. In case of absence of candidates, to be nominated by the authorized body within the time limit prescribed, who will meet the requirements of the employer, as well as in case of rejection by the employer of the nominated candidate, the employer may find a foreigner meeting these requirements and apply to the authorized body for issuing a work permit.

## **5.3 General Immigration Related Questions**

### **Would it be possible to bring family members to Armenia?**

The Dependents of the Employee, who has obtained temporary residence permit, are entitled to obtain a temporary residence permit for the same period, for which is valid the employee's residence permit. For such purpose the dependents should submit to the Passport and Visa department of RA personal information, as well as:

- color photo 35x45 mm;
- documents proving the fact of being a family member (translated into Armenian and notarized, if needed: apostilled);
- payment receipt of the state duty (AMD 105,000, approximately USD 265).

According to the legislation of Armenia, an employment contract (or contract of services provision) shall also cover issues related to transportation to Armenia of a foreign employee and their family members, social security and insurance thereof, issues related to meeting them, providing with accommodation, keeping on records in the place of residence, and the return thereof.

### **Is it possible to obtain a permanent residence permit?**

According to the legislation of Armenia, foreigner cannot apply for permanent residence permit except the following cases:

Permanent residence permit shall be granted to a foreigner, if they:

- proves the existence of a spouse or close relative (parent, child, brother, sister, grandmother, grandfather, grandchild) holding the citizenship of Armenia or special residence permit in Armenia, possesses accommodation and means of living in Armenia and, prior to submission of an application for obtaining permanent residence status, has resided, for at least 3 years, in Armenia, or
- has Armenian national origin or is engaged in entrepreneurial activities in Armenia.

Permanent residence permit shall be granted for a period of 5 years with a possibility of extension for the same period each time. An application for extension of a permanent residence permit must be filed at least 30 days prior to expiry of the validity period of the permanent residence permit.

**What if circumstances change after the Work and Residence application process (e.g., change of employment or personal situation, including job title, job role or salary)?**

The changes made in the labor contract after work permit and temporary residence permit are granted, are not submitted to the Migration Service. These changes should be submitted during extension of work permit and temporary residence permit.

**How long can a permit holder leave Armenia without their permit becoming invalid?**

The legislation of Armenia does not contain any regulation on this issue.

**Must immigration permissions be cancelled by the end of the assignment/employment?**

According to the legislation of Armenia, the work permit shall be terminated, if the validity period of the employment contract (contract on delivery of services) has expired, or the contract has been rescinded.

**Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?**

Violation by the foreigners' visa or residence permit terms or stay in Armenia upon invalid documents, as well as violation of transit traffic through the territory of Armenia shall entail imposition of a penalty in the amount up to AMD100,000 (approx. USD250).

Non carrying by the inviter, the costs of inviting a foreigner to Armenia, including their possible medical care and expenses for departure from Armenia, shall entail the imposition of a penalty in the amount up to AMD100,000 (approx. USD250).

Employment of foreigners by the Employers without appropriate residence and work permits shall entail the imposition of a penalty in the amount up to AMD150,000 (approx. USD375). If the employer is a legal entity, the penalty is assigned to the director.

## 5.4 Other Important Items

**List any other important items to note, or common obstacles faced, in Armenia when it comes to the immigration processes.**

**Legislation of RA defines professions, holders of which can conclude employment contracts without obtaining work permit. They are the following:**

**Professions (requiring secondary professional education) for performing of which work permits is not necessary:**

**If a foreigner has one of the following professions, no work permit will be necessary:**

- Creation and management of databases and information networks,
- Electronics and automation,
- Farming.

**Professions (requiring higher professional education or qualification) for performing of which work permits is not necessary:**

- Informatics and computing,
- Finances,
- Management and Administration,

- Computer security,
- Electronics and automation,
- Food technology.

**Persons obtained scientific degree do not need to obtain work permit.**

Below you will find a list of other important items to note and the most common obstacles:

- Payment conform Armenian minimum wage standards
- Salary needs to be comparable to a salary of an Armenian employee Apostilles/Legalization/ Verification process
- Translations – certain documents would require an Armenian translation
- Inconsistencies in documentation – for example if there is a discrepancy in the name of the applicant as shown on their passport, degree or marriage certificates, the authorities may require further supporting documentation.

**Footnote**

1. In terms of RA Tax Code, the place where a person's family or economic interests are concentrated shall be considered the center of the person's vital interest. Interests of a person shall be deemed; in particular, to be located in RA, if the house or apartment where the person's family resides is therein, or the principal personal or family property, as well as the principal place of the economic (professional) activity is located therein.

[Back to top](#)

**Disclaimer**

All information contained in this publication is summarized by KPMG Armenia LLC, a company incorporated under the Laws of the Republic of Armenia and a member firm of the KPMG global organization of independent affiliated with KPMG International Limited, a private English company limited by guarantee. The information contained in this publication is based on the Tax Code of the Republic of Armenia of 2016 and subsequent amendments, including but not limited to:

- RA Tax Code No.HO-165-N, 04 October 2016.
- RA Law "On funded pension" No-HO-244-N, 22.12.2010
- RA Law "On compensation for fallen or wounded soldiers during the defense of the Republic of Armenia", No-HO-245-N, 15 December 2016



[kpmg.com](https://kpmg.com)



KPMG' refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit [kpmg.com/governance](https://kpmg.com/governance).

© 2023 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.