



# ARMENIA

Armenia - Civil Law



Incorporate Now



Consultation

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In a hurry? Click incorporate now, and startup your company immediately.

## Incorporating a company in Armenia

# Armenia taxes

Want to setup a company? This article will educate you on the tax laws for an ApS which is the most common legal entity in Armenia.

Armenia imposes taxes on corporate income, whether accrued onshore or offshore. The usual estimated rate for income earned abroad, from our research, and this is not personal tax advice, is 20%. The country doesn't have known exemptions to remit back income earned abroad. Taxes are reasonable in Armenia because the highest corporation tax rate is 20%. This ranks Armenia as 67th when compared to CIT globally.

The value added tax (VAT) rate in AM is 20.00%, that ranks Armenia as 134th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will not contribute to a social security fund and an employee may contribute 5.00%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 103hours. Contributing to this is the number of yearly labor tax payments, which is 1 in AM.

Thin capitalisation standards are in play. This refers to any sort of requirements on given company with respect to debt-to-asset ratios. Dividends distributed between resident companies are tax-exempted. Dividends received from a foreign entity are subject to corporate income tax standard rate. Dividends are profits payments, voted by the board, to a particular class of shareholders. Dividends can be either shares of stock, cash payments, or other property. Capital Gains are considered ordinary business income and subject to CIT. Capital gains from the sale of shares will be taxed at a 0% rate from January 2018. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 10%. Which means that the taxman expects relevant legal entities to pay tax on at least 10% of payments offshore on interests. The dividends withholding tax rate is 10%. This should be interpreted that a LLC may pay tax on at least 10% of dividends remitted abroad. The royalties withholding tax rate 10%. This means that the taxman expects ApS's to automatically withhold 10% of royalty payments to non-residents.

There is no known tax on wealth in Armenia. There are no known inheritance and transfer taxes in AM. There are real property taxes. There are not many widely used R&D initiatives that provide tax relief.

The above is not tax or legal advice for your individual facts and circumstances. We are able to point you an expert in Armenia who will advise you. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Armenia is 20% which ranks 134 in the world.

- ✓ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✓ **Estate tax**
- ✗ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 37 **Tax treaties**
- 20% **Offshore Tax**
- 20% **Corp rate**
- **Loss carryback years**
- 121 **Corporate time**
- 20% **VAT rate**
- 20% **Capital gains**
- No **AEOI planned**

# Armenia Legalese

The underlying legal code in Armenia is civil law. You will want to get some local advice as to how to best structure a company in Armenia. E-signatures are allowed.

The country code AM is for Armenia and the most common company type in Armenia is an ApS.

When setting up, budget about 3 days to incorporate an ApS in AM. The types of cash you can use to capitalize your company is often AMD and any legal tender.

Yes, one is allowed to re-domicile an ApS from AM. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own an ApS in AM by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is allowed, up to 100% of the total shareholding.

An ApS is only required to have one director. Furthermore, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an agent which can receive any official legal correspondence on behalf of the business. However, a corporate secretary is not a requirement.

There is an obligation to file yearly tax returns. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Armenia is a ok option and have given it a score of 47 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 3 days to form**



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## Country Info



National Flag of

Հայաստանի  
Հանրապետություն (hye)

Республика Армения  
(rus)

\$ Currency

**AMD**

☎ Area Code

**+374**

🏰 Capital

**Yerevan**

✈ Region

**Western Asia**

🌿 Native Languages

**Armenian****Russian**