LAW OF THE REPUBLIC OF ARMENIA ON COMPENSATION FOR DAMAGES CAUSED TO LIFE OR HEALTH OF MILITARY SERVICEMEN WHILE DEFENDING THE REPUBLIC OF ARMENIA

Գլխավոր տեղեկություն

Համար	HO-245-N
Տիպ	Law
Ակտի տիպ	Base act
Կարգավիճակ	Active (09.01.2017-till now)
Սկզբնաղբյուր	Published on a joint site 06.06.2024
Ընդունող մարմին	National Assembly
Ընդունման ամսաթիվ	15.12.2016
Ստորագրող մարմին	President of the Republic of Armenia
Ստորագրման ամսաթիվ	30.12.2016
Ուժի մեջ մտնելու ամսաթիվ	09.01.2017

LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 15 December 2016

ON COMPENSATION FOR DAMAGES CAUSED TO LIFE OR HEALTH OF MILITARY SERVICEMEN WHILE DEFENDING THE REPUBLIC OF ARMENIA

The purpose of this Law is to introduce a special system ensuring compensation for damages caused to life or health of military servicemen while participating in the defence military operations of the Republic of Armenia or while performing combat duty or a special duty along the line of contact with adversary or as a result of offensive operation of adversary (hereinafter referred to as “the military operations”).

(preamble amended, supplemented by HO-172-N of 25 March 2020)

CHAPTER 1

GENERAL PROVISIONS

Article 1. Subject matter of the Law

1. This Law shall regulate the relations pertaining to compensation for the damage caused to life and health of military servicemen as a result of military operations, as well as shall prescribe the procedure for and condition of establishing compensation fund and the activities thereof.

Article 2. Beneficiaries, cases of compensation, grounds for and scope of the payment of compensation

1. Pursuant to this Law, the military servicemen whose life or health has been damaged as a result of military operations shall be deemed to be beneficiaries. Within the meaning of this Article:

(1) decease (death) or declaring as missing of a military servicemen shall be deemed as damage caused to the life thereof;

(2) loss of capacity of a military serviceman as a result of damage or mutilation sustained shall be deemed as damage caused to health thereof.

2. Military servicemen shall be:

(1) a person serving the fixed-term compulsory or contractual or mobilisation military service in the Armed Forces and/or other forces of the Republic of Armenia or engaged in the measures implemented within the scope of reserve preparation as prescribed by law and participating or having participated in the military operations;

(2) a person engaged in the territorial defence and having participated in the military operations or not being in military service and signed up as a volunteer for the purpose of participating in military operations and participating or having participated in military operations (hereinafter referred to as “the person signed up as a volunteer”). The fact of not being in military service and signed up as a volunteer for the purpose of participating in the military operations and participating or having participated in military operations shall be approved by the statement of information of the Ministry of Defence of the Republic of Armenia, the procedure for issuing whereof shall be established by decision of the Government of the Republic of Armenia.

3. In case a military serviceman deceased (died) or is declared as missing in absentia, a beneficiary shall be deemed to be the military serviceman's:

(1) spouse;

(2) child (children);

(3) parent (parents);

(4) as of the date of the compensation case, student sister and brother not having attained the age of 18 or being declared as having no active legal capacity or student sister and brother under the age of 23 with daily full-time instruction, as well as disabled sister and brother of 18 years and over under the custody of the military serviceman, where they have been declared disabled persons prior to attaining the age of 18. Moreover, a sister and a brother shall be deemed to be beneficiary, where their parents or single parent are dead or have a third-degree restriction of capacity for engaging in working activities;

(5) a person not being in a registered marriage with a military serviceman and having a child together. A person divorced from the military serviceman but having a child together shall not be deemed to be beneficiary.

4. In case of absence of the beneficiaries referred to in part 3 of this Article, another person shall also be deemed to be the beneficiary where it is approved through judicial procedure that:

(1) as of the date of the compensation case, that person has been under custody of the military serviceman and has had disabilities or the right to working pension;

(2) took care of a military serviceman until the latter attained the age of 18.

4.1. In case of absence of the beneficiaries referred to in parts 3 and 4 of this Article, a brother and a sister of a military serviceman shall also be deemed to be beneficiary where no other beneficiary has previously received money with regard to the given military serviceman.

5. A compensation case (hereinafter referred to as “the Compensation case”) shall be deemed to be the case of causing damage to health and life of a military serviceman during military operations that took place after 1 January 2017. The Compensation case shall be deemed to be arisen, where:

(1) the military serviceman who deceased (died) during military operations or within five years following the completion of the military operations due to an injury or mutilation sustained as a result of the military operations;

(2) the military serviceman has been declared — as prescribed by law — as missing in absentia as a result of being declared as missing during military operations, where the military serviceman is not detected prior to the beginning of compensation payment; or

(3) the military serviceman has received disability of first or second group as a result of an injury or mutilation sustained during military operations.

6. Pursuant to this Law, the Compensation case shall not be deemed to be the case when the military serviceman deceased (died) or became disabled as a result of intentional unlawful conduct thereof.

7. Within the meaning of parts 3 and 4 of this Law, the absence of beneficiaries shall be deemed to be the physical non-existence of the relevant beneficiary, including being declared as missing in absentia or dead or being deprived of parental rights or having no relevant status through judicial procedure.

(Article 2 supplemented, amended by HO-502-N of 29 December 2020, supplemented by HO-37-N of 9 February 2022)

(Law HO-502-N of 29 December 2020 has a transitional provision)

(Law HO-37-N of 9 February 2022 has a transitional provision)

Article 3. Compensation payer

1. The compensations provided for by this Law shall be paid by the compensation fund established pursuant to this Law (hereinafter referred to as “the Fund”).

CHAPTER 2

COMPENSATION AMOUNTS, CONDITIONS OF AND PROCEDURE FOR PAYMENT THEREOF

Article 4. Compensation amounts and conditions of payment thereof

1. The compensation shall be paid for those Compensation cases that arose after 1 January 2017 with the following minimum amounts:

(1) in case of being deceased (dead) or declared as missing in absentia:

(a) AMD 82,000,000 — to a commissioned officer who is a military serviceman engaged in the measures being implemented within the scope of contractual or mobilisation or compulsory military service or reserve preparation;

(b) AMD 70,000,000 — to a non-commissioned officer and a military serviceman of the staff of rank and file engaged in measures being implemented within the scope of contractual or mobilisation military service or reserve preparation or a person engaged in or signed up as volunteer for the territorial defence;

(c) AMD 58,000,000 — to a junior non-commissioned officer and a military serviceman of the staff of rank and file of compulsory military service;

(2) as a result of damage caused to health:

(a) AMD 82,000,000 — in case of the first group of disability of a commissioned officer who is a military serviceman engaged in the measures being implemented within the scope of contractual or mobilisation or compulsory military service or reserve preparation;

(b) AMD 70,000,000 — in case of the first group of disability of a non-commissioned officer and a military serviceman of the staff of rank and file engaged in measures being implemented within the scope of contractual or mobilisation military service or reserve preparation or a person engaged in or signed up as volunteer for the territorial defence;

(c) AMD 58,000,000 — in case of the first group of disability of a junior non-commissioned officer and a military serviceman of the staff of rank and file of the compulsory military service;

(d) AMD 53,000,000 — in case of the second group of disability of a commissioned officer who is a military serviceman engaged in the measures being implemented within the scope of contractual or mobilisation or compulsory military service or reserve preparation;

(e) AMD 41,000,000 — in case of the second group of disability of a non-commissioned officer and a military serviceman of the staff of rank and file engaged in measures being implemented within the scope of compulsory or mobilisation military service or reserve preparation or a person engaged in and signed up as volunteer for the territorial defence;

(f) AMD 29,000,000 — in case of the second group of disability of a junior non-commissioned officer and a military serviceman of the staff of rank and file of the compulsory military service.

2. The amounts referred to in part 1 of this Article shall be paid on the following conditions:

(1) AMD 10,000,000 from the amount referred to in sub-points “a”, “b”, “c” of points 1 and 2 of part 1 of this Article shall be paid in the form of a lump-sum payment, whereas the remaining amount — in the form of equal monthly payments, over a period of 20 years;

(2) AMD 5,000,000 from the amount referred to in sub-points “d”, “e”, “f” of point 2 of part 1 of this Article shall be paid in the form of a lump-sum payment, whereas the remaining amount — in the form of equal monthly payments, over a period of 20 years.

3. Where, as of the date of the Compensation case, the military serviceman has three or more children under the age of 18 or 23 with daily full-time instruction or disabled children of 18 years and over, where they have been declared as disabled persons prior to attaining the age of 18, a monthly additional AMD 100.000 shall be added to the equal monthly payment paid pursuant to part 2 of this Article. The payment of the additional amount defined in this part shall be ceased from the 1st date of the month following the elimination of the ground for granting the right to receive the additional amount prescribed by this part, as well as the expiration of the period of payment of compensations or the elimination of the ground for paying compensations. The provisions of this part shall also be applied to the cases where the grounds for granting the right to receive the additional amounts prescribed by this part arise following the date of the Compensation case. For the purpose of applying this part:

(1) the Government of the Republic of Armenia (hereinafter referred to as “the Government”) shall define the grounds for granting the right to receive the additional amount referred to in this part and the procedure for revealing, collecting, processing information on the amendments thereof and providing them to the relevant state bodies and the Fund, as well as the list of documents to be submitted for approval of the documents referred to in sub-points “a”, “b” and “c” of point 3 of this part and the procedure for submitting thereof and the procedure for adopting decision on the basis of documents submitted;

(2) the Fund shall establish the procedure for record-registering the information on the grounds for granting the right to receive the additional amount referred to in this part;

(3) where the Compensation case referred to in point 1 of part 5 of Article 2 of this Law arose with respect to the military serviceman, it shall — unless otherwise proved upon a court judgment having entered into legal force — be considered that the military serviceman who has three and more children under the age of 18, as well as in the case, where all the circumstances referred to in sub-points “a”, “b”, “c” of this part are concurrently in place or the circumstance referred to in

sub-point “d” of this part are in place:

(a) the third child was born alive within nine months following the month including the date of the Compensation case;

(b) it follows from the data of medical diagnosis that the child born was conceived prior to the date of the Compensation case;

(c) the child's mother was the wife of the military serviceman not less than within a period of nine consecutive months prior to the date of the Compensation case, and as of the date of the Compensation case the marriage between the child's mother and the military serviceman was not terminated on the ground of divorce and in any period within a nine-month period following the date of the Compensation case the child's mother did not remarry;

(d) where all other grounds for paying the compensation prescribed by this Law are in place, the circumstances referred to in sub-points “a”, “b”, “c” of this part or in any of them are missing, but it has been approved upon a court judgment having entered into legal force that the child born is the military serviceman's child.

4. The amounts of compensation referred to in this Article may — upon decision of the Board of the Fund — be increased as a result of indexation rate depending on the results of the financial activities of the Fund.

5. Depending on the results of the financial activities of the Fund, the Board of Trustees of the Fund may render a decision:

(1) on continuing to pay compensations also after the end of 20 years referred to in part 2 of this Article. In the cases referred to in this part, the compensation amount subject to payment and the time limits of payment thereof shall be defined by the Board of Trustees of the Fund;

(2) to pay — through certain means (paying monetary means, providing in-kind assistance, other means) and within the time limits prescribed thereby — compensation also for those Compensation cases that arose prior to 1 January 2017.

6. Where, following the assignment of the compensation payment, a change is made to the Compensation case prescribed by this Law in respect to the same military serviceman, the difference between the amounts subject to payment to a beneficiary (beneficiaries) on the ground of the new Compensation case and those already paid on the ground of the Compensation case having previously arisen shall be recalculated as prescribed by the Board of the Fund. Where, as a result of the recalculation referred to in this part, it establishes that:

(1) the amount paid to a beneficiary (beneficiaries) with regard to the Compensation case having previously arisen is equal to or exceeds the amount subject to payment with regard to the new Compensation case, the compensation amount subject to payment with regard to the new Compensation case shall be deemed to be paid, and no payment shall be made with regard to the new Compensation case;

(2) the amount subject to payment with regard to the new Compensation case exceeds the amount already paid to a beneficiary (beneficiaries) with regard to the Compensation case having previously arisen, the difference between the amounts subject to payment with regard to the new Compensation case and those already paid with regard to the Compensation case having previously arisen shall be paid to a beneficiary (beneficiaries).

7. Pursuant to part 6 of this Article, the changes made to the Compensation case shall be deemed to be as follows:

(1) death of a military serviceman with the first or second group of disability within the time limit and the reason referred to in point 1 of part 5 of Article 2 of this Law;

(2) ceasing to consider a military serviceman as missing in absentia and declaring him or her as a person with first or second group of disability;

(3) making changes to the disability group of a military serviceman.

(Article 4 supplemented by HO-502-N of 29 December 2020)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 5. Procedure for paying compensations

1. In case a Compensation case arises, the Ministry of Defence of the Republic of Armenia or the Ministry of Emergency Situations of the Republic of Armenia or the National Security Service adjunct to the Government or the Police of the Republic of Armenia adjunct to the Government (hereinafter referred to as “the respective state body”) shall — within one month following the day of determination (approval), as prescribed by law, of the fact of causing damage to life or health of a military serviceman as prescribed by the Government —

(1) determine who is considered to be a beneficiary (beneficiaries) with regard to the given Compensation case, pursuant to the requirements of this Law;

(2) submit to the Fund the name, surname, father's name, data of the identification document, data of public service number or data of the statement of information on not having public service number, address of the beneficiary (beneficiaries), as well as documents confirming the Compensation case and the circumstances, the amount subject to compensation envisaged by part 3 of Article 4 of this Law.

2. Based on the information referred to in part 1 of this Article, the Fund shall:

(1) within three working days following the day of receipt of the information referred to in part 1 of this Article:

(a) transfer the lump-sum amount referred to in points 1 and 2 of part 2 of Article 4 of this Law to the bank account opened for the beneficiary (beneficiaries);

(b) make the first payment to the bank account referred to in sub-point “a” of this point from the equal monthly payments referred to in points 1 and 2 of part 2 of Article 4 of this Law and the first payment of the amount referred to in part 3 of Article 4 of this Law, where the amount, pursuant to this Law, shall be subject to payment;

(2) make — until the last working day of each month inclusive — to the bank account referred to in sub-point “a” of this point the proportionate payment for the given month from the equal monthly payments referred to in points 1 and 2 of part 2 of Article 4 of this Law and the payment of the amount for the given month referred to in part 3 of Article 4 of this Law, where the amount, pursuant to this Law, shall be subject to payment.

3. The time limits for the payment referred to in part 2 of this Article may be postponed — upon decision of the Board of the Fund — up to three months based on the need of ensuring the financial stability of the Fund.

4. The bank account referred to in sub-point “a” of point 1 of part 2 of this Article shall:

(1) as prescribed by the Board of the Fund, be opened by the Fund in the name of a beneficiary (beneficiaries) in one of the banks selected through a competition based-procedure established by the Board of the Fund. The right to dispose monetary means transferring — pursuant to this Law — to the bank account opened pursuant to this point shall be vested in the beneficiary (beneficiaries), in the name whereof the bank account was opened;

(2) be a special bank account provided for by Chapter 50.1 of the Civil Code of the Republic of Armenia.

Article 6. Peculiarities of payment of compensations in case of declaring military servicemen as missing in absentia

1. In case of declaring a military serviceman as missing in absentia the compensations shall be paid as prescribed by Article 5 of this Law and in the amounts prescribed by Article 4 of this Law.

2. Where the military serviceman ceased to be deemed as missing in absentia, until the moment he or she ceased to be deemed as missing in absentia, pursuant to Article 4 of this Law, the amounts paid in the form of a lump-sum and equal monthly payments, as well as those paid pursuant to part 3 of Article 4 of this Law shall not be subject to return, except for the cases referred to in part 5 of this Article.

3. Where the military serviceman ceased to be deemed as missing in absentia:

(1) on the ground of declaring by the court that military serviceman as dead:

(a) the amounts in the form of a lump-sum referred to in part 2 of Article 4 of this Law shall not be paid on the ground of declaring the military serviceman as dead;

(b) the payment of amounts subject to payment in the form of equal monthly payments shall continue;

(2) as a result of locating that military serviceman and that military serviceman has been declared as a person with first or second group of disability, on the ground of having first or second group of disability, pursuant to this Law, the amount to be paid to the military serviceman shall be recalculated in compliance with part 6 of Article 4 of this Law;

(3) as a result of locating that military serviceman and the circumstances referred to in point 2 of this part are missing, the payment of the compensations, as well as the amount referred to in part 3 of Article 4 of this Law shall be ceased from the 1st date of the month following the month of ceasing the military serviceman to be deemed as missing in absentia.

4. The provisions prescribed by points 1 and 2 of part 3 of this Article shall not be applied where

one of the cases referred to in part 5 of this Article is in place.

5. On the ground of declaring the military serviceman as missing in absentia, the compensations paid to the beneficiaries in the form of a lump-sum and/or equal payments shall be subject to return by the beneficiaries, where it establishes that:

(1) a military serviceman is missing in absentia:

(a) as a result of leaving the military unit or duty station without permission; or

(b) desertion; or

(c) voluntarily surrendering into captivity; or

(d) leaving the field of battle without permission; and

(2) the circumstances referred to in point 1 of this part are approved upon a criminal judgment of a court having entered into legal force.

6. The obligation to return the compensations may, upon a court ruling having entered into legal force, jointly and severally be imposed also on the military serviceman missing in absentia under the circumstances referred to in point 1 of part 5 of this Article and considered alive.

7. The compensations shall be returned in the manner and within the time limits prescribed by a court ruling having entered into legal force.

Article 7. Decision of persons entitled to receive compensation

1. In case of disability of a military serviceman, the compensation shall be paid to that military serviceman or the person specified in the application submitted thereby to the relevant state body referred to in point 1 of part 1 of Article 5 of this Law, except for the case referred to in part 2 of this Article. The form of and procedure for submitting the application referred to in this part shall be prescribed by the Government.

2. In case the military serviceman deceased (died) or is declared as missing in absentia or in case the military serviceman may not — due to mental or psychological disorder caused as a result of the injuries sustained in military operations — submit the application referred to in part 1 of this Article:

(1) the compensation shall be paid to the beneficiaries through the beneficiary determined upon consent of the beneficiaries;

(2) in case there is no consent between the beneficiaries the compensation subject to payment shall be divided among the beneficiaries and paid to each of them separately as prescribed by part 3 of this Article.

3. In the case referred to in point 2 of part 2 of this Article, the compensation shall be divided as prescribed by the Government based on the following principles:

(1) the total compensation shall be divided by the number of beneficiaries prescribed by parts 3 or 4 or 4.1 of Article 2 of this Law;

(2) where one of the beneficiaries dies the compensation subject to payment to that person shall not be included in the composition of succession and shall be equally divided among the rest of the beneficiaries.

4. Where the beneficiaries defined by parts 3, 4 and 4.1 of Article 2 of this Law are missing, the compensations prescribed by this Law shall not be paid.

5. Where the only beneficiary defined by parts 3 or 4 or 4.1 of Article 2 of this Law dies, the compensation subject to payment to that beneficiary shall not be included in the composition of succession, and the obligation for paying that amount shall cease.

6. Where the military serviceman declared as beneficiary on the ground referred to in point 3 of part 5 of Article 2 of this Law dies, and the circumstances referred to in point 1 of part 7 of Article 4 of this Law are missing, the right to receive the compensation of the dead military serviceman shall not be included in the composition of succession and shall cease.

7. For the purpose of ensuring the application of the provisions of this Article, the Government shall establish the procedure for determining the scope of beneficiaries, the procedure for substantiating the existence, absence and changes of consent between the beneficiaries, the procedure for providing the relevant state bodies and the Fund with the information on the changes made to the scope of beneficiaries.

(Article 7 amended by HO-37-N of 9 February 2022)

(Law HO-37-N of 9 February 2022 has a transitional provision)

Article 8. Tax privileges

1. The compensations paid to the beneficiaries shall not be taxable by income or any other tax or shall not be deducted by any other fee paid to the State Budget or community budget.

CHAPTER 3

STAMP FEES

Article 9. Meaning of the concepts used in this Chapter

1. For the purpose of application of the provisions of this Chapter:

(1) label of the Fund issued through electronic means shall be deemed as a stamp;

(2) residency, non-residency, as well as the income of a natural person received from the sources of the Republic of Armenia shall be determined in compliance with the Tax Code of the Republic of Armenia;

(3) reporting period for the natural persons referred to in points 1, 2, 5 and 6 of part 1 of Article 11 of this Law shall be deemed the calendar month, whereas for the individual entrepreneurs and notaries — the calendar year;

(4) legal person (including the institution of a foreign legal person, branch or representation of a foreign legal person), individual entrepreneur, notary, body, state administration body or local self government body, institution paying income — for the grounds referred to in the same points — to natural persons referred to in points 1, 2, 5 and 6 of part 1 of Article 11 of this Law shall be deemed to be tax agent;

(5) calculation base of the stamp fee shall be deemed to be:

(a) salary or other equivalent fees for natural persons not deemed to be an individual entrepreneur and a notary and/or the income received from the performance of works (provision of services), pursuant to the civil law contracts;

(b) sales turnover reflected in the turnover tax calculation submitted for the reporting period of calculation of stamp fee for the individual entrepreneurs and notaries operating within the system of turnover tax;

(c) sales turnover reflected in the calculation on the sales turnover of an entity of family entrepreneurship for the individual entrepreneurs operating within the system of family entrepreneurship;

(d) gross income reflected in the profit tax calculation for the individual entrepreneurs and notaries operating within the general taxation system;

(e) in case of operating in more than one taxation system during the reporting year, the total amount of the relevant calculation bases referred to in this point.

(Article 9 amended by HO-286-N of 21 December 2017, supplemented by HO-502-N of 29 December 2020)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 10. The concept of “stamp fee”

1. The stamp fee shall — for the purpose of ensuring the compensation for damages caused to life and health of military servicemen — be a mandatory fee paid to the State Budget of the Republic of Armenia in the manner and amount prescribed by this Law, the obligation of payment whereof shall be fulfilled in each reporting period through the purchase of stamp in the amount prescribed by part 1 of Article 12 of this Law.

Article 11. Payers of stamp fee

1. The following persons shall be obliged to pay stamp fee (shall be deemed to be payers of

stamp fee):

(1) natural persons deemed to be a resident of the Republic of Armenia working within or beyond the territory of the Republic of Armenia under the employment contract, except for the persons referred to in part 2 of this Article;

(2) natural persons not deemed to be a resident of the Republic of Armenia working within the territory of the Republic of Armenia under the employment contract, except for the persons referred to in part 2 of this Article;

(3) individual entrepreneurs record-registered and carrying out entrepreneurial activities in the Republic of Armenia;

(4) notaries;

(5) natural persons deemed to be a resident of the Republic of Armenia receiving income within or beyond the territory of the Republic of Armenia under the civil law contract on performing works or providing services, except for the persons referred to in part 2 of this Article;

(6) natural persons not deemed to be a resident of the Republic of Armenia receiving income from the sources of the Republic of Armenia under the civil law contract on performing works or providing services, except for the persons referred to in part 2 of this Article.

2. The following persons shall not pay stamp fee for the given reporting period:

(1) persons referred to in points 1,2,5 or 6 of part 1 of this Article who do not have salary to be received and/or income received under the civil law contract on performing works or providing services for the given reporting period;

(2) persons referred to in points 3 and 4 of part 1 of this Article, where the calculation bases of stamp fee prescribed by point 5 of part 1 of Article 9 of this Law are missing;

(3) foreign citizens and stateless persons not having the right of residence (residence status) in the Republic of Armenia.

3. The stamp fee shall not be paid by the persons referred to in point 1 or 2 of part 1 of this Article who work for the same employer only under one employment contract and the salary to be received in the given reporting period and other equivalent fees whereof shall not — following the reduction of taxes and other mandatory fees (including the stamp fee) — exceed the amount of minimum salary prescribed by the legislation of the Republic of Armenia. Instead of the persons referred to in this part the stamp fees shall be paid:

(1) instead of persons working in the state bodies of the Republic of Armenia — from the State Budget of the Republic of Armenia;

(2) instead of persons working in the local self-government bodies — from the relevant community budget;

(3) instead of persons working for other employers — by an employer paying salary to the given persons, at his or her expense.

3.1. The stamp fee shall not be paid by the persons referred to in point 5 or 6 of part 1 of this Article the incomes whereof being paid under the civil law contract on performing works and providing services are insufficient for withholding the stamp fee. Instead of the persons referred to in this part the stamp fees shall be paid by a tax agent paying income to those persons, at his or her expense.

4. Each person shall be entitled to pay — through the Fund or directly, in the amount preferable thereby — the stamp fee through electronically obtaining stamps in the quantity needed (voluntary donation). The Fund shall be entitled to organise fund raising in order to encourage the voluntary donations.

5. Parent, spouse and/or child (children) of the military serviceman at the fixed-term compulsory military service or that (those) of the deceased (dead) military serviceman shall be entitled to claim to fully or partially return the amounts of stamp fee paid thereby (deduced by the tax agent from the incomes thereof). Pursuant to this part, the procedure for returning the stamp fee shall be established by the Government.

6. ***(part repealed by HO-502-N of 29 December 2020)***

7. ***(part repealed by HO-502-N of 29 December 2020)***

8. ***(part repealed by HO-502-N of 29 December 2020)***

(Article 11 supplemented, amended by HO-286-N of 21 December 2017, edited by HO-184-N of 2 October 2019, amended, supplemented, edited by HO-502-N of 29 December 2020)

(Law HO-184-N of 2 October 2019 has a transitional provision)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 12. Amount of stamp fees

1. For each reporting period, pursuant to part 1 of Article 11 of this Law:

(1) natural persons referred to in points 1,2,5 and 6 shall pay the stamp fee at the following rates:

In case of calculation base up to AMD 100.000	AMD 1500
In case of calculation base from AMD 100.001 to AMD 200.000	AMD 3000
In case of calculation base from AMD 200.001 to AMD 500.000	AMD 5500
In case of calculation base from AMD 500.001 to AMD 1.000.000	AMD 8500
In case of calculation base AMD 1.000.001 and more	AMD 15 000

(2) individual entrepreneurs and notaries referred to in points 3 and 4 shall pay the stamp fee at the following rates:

In case of calculation base up to AMD 2.400.000	AMD 18 000
In case of calculation base from AMD 2.400.001 to AMD 6.000.000	AMD 24 000
In case of calculation base from AMD 6.000.001 to AMD 12.000.000	AMD 48 000
In case of calculation base AMD 12.000.001 and more	AMD 120 000

(Article 12 amended, supplemented by HO-286-N of 21 December 2017, edited by HO-502-N of 29 December 2020, HO-282-N of 1 July 2021)

(Law HO-502-N of 29 December 2020 has a transitional provision)

(Law HO-282-N of 1 July 2021 has a transitional provision)

Article 13. Payment of stamp fees

1. Where the persons referred to in points 1, 2, 5 and 6 of part 1 of Article 11 of this Law receives incomes from a tax agent, those persons shall pay the stamp fee exclusively through the tax agent.

2. The persons referred to in points 3 and 4 of part 1 of Article 11 of this Law, as well as those referred to in points 1, 2, 5 and 6 of part 1 of Article 11 of this Law who receive incomes from a person not deemed to be a tax agent shall directly pay the stamp fee.

3. The obligation of the persons referred to in Article 11 of this Law to pay the stamp fee for the given reporting period in the amount referred to in part 1 of Article 12 of this Law shall be deemed to be fulfilled and the stamps in the relevant amount — acquired, following the date of transferring to the State Budget the amount referred to in part 1 of Article 12 of this Law by those persons through a tax agent or directly.

4. In case of paying the amount with regard to the obligation of stamp fees later than the time limit prescribed, the tax authority shall render a decision on charging the amount not paid on time from the payer of stamp fee (where, pursuant to this Law, the stamp fee must be paid through a tax agent — from the tax agent) and properly notify the payer of the stamp fee (tax agent) thereon. By the time the decision on charging the amount becomes unappealable, the tax

authority may impose attachment or apply restriction on the property of the obliged person in the cases and manner prescribed by the Tax Code of the Republic of Armenia. In case of paying the stamp fees later than the time limit prescribed, no penalty prescribed by tax legislation shall be calculated.

(Article 13 amended, supplemented by HO-286-N of 21 December 2017)

(Law HO-286-N of 21 December 2017 has a transitional provision)

Article 14. Paying the stamp fee through a tax agent

1. Each month, the tax agents shall calculate the amount of stamp fees for the given month in the amounts prescribed by Article 12 of this Law, taking as a basis the accrued salary of hired workers included in the monthly calculation of income tax and social contributions submitted to the tax authority for the given month and the equivalent fees and/or the incomes paid to natural persons for providing services (performing works) under the civil law contract.

2. The tax agents shall — until the 20th date of the month following the month of calculation of the amount of stamp fee inclusive — transfer to the State Budget the amount of stamp fee calculated for each month pursuant to part 1 of this Article.

3. The tax agent shall withhold the amount of stamp fee calculated for the given month with respect to each person from the incomes to be received (received) during the given month by the given person from the tax agent concerned.

4. The deductions of the accrued salary of hired workers included in the verified monthly calculation of the income tax and social contributions submitted by tax agents to tax authorities and equivalent payments and (or) incomes paid to the natural persons for providing services (performing work) under the civil law contracts shall not be taken into account for the calculation of stamp fee.

(Article 14 amended by HO-286-N of 21 December 2017, HO-502-N of 29 December 2020)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 15. Directly paying stamp fees

1. The persons referred to in points 1, 2, 5 and 6 of Article 11 of this Law, receiving income from a person not deemed to be a tax agent, shall directly pay the stamp fee for the given reporting period until the 20th date of the month following the given reporting period inclusive.

2. The persons referred to in points 3 and 4 of part 1 of Article 11 of this Law, directly paying stamp fees shall pay the stamp fee until the 20th of April of the year following the given reporting period inclusive, based on the circumstance that the incomes have been reflected in the calculation of profit tax submitted for each reporting period, whereas individual entrepreneurs deemed to be an entity of family entrepreneurship — in the report of sales turnover of the entity of family entrepreneurship.

The individual entrepreneurs and notaries operating within the system of turnover tax shall take as a basis the circumstance that the profit tax with regard to those types of activities has been calculated in the profit tax calculation.

(amendment shall apply to the relations having arisen on 1 January 2020, pursuant to part 3 of Article 11 of Law HO-502-N of 29 December 2020)

3. The persons referred to in points 3 and 4 of part 1 of Article 11 of this Law, directly paying stamp fees shall pay the stamp fee until the 20th of April of the year following the given reporting period inclusive, based on the calculation bases of the stamp fee prescribed by point 5 of part 1 Article 9 of this Law for each reporting period.

(provisions of part 2 of Article 15 shall apply to stamp fees subject to payment for the reporting periods starting from 1 January 2021, pursuant to part 2 of Article 11 of Law HO-502-N of 29 December 2020)

(Article 15 amended, supplemented by HO-286-N of 21 December 2017, edited by HO-502-N of 29 December 2020)

(Law HO-472-N of 29 December 2020 has a transitional provision)

Article 16. Lists of persons having paid the stamp fee and submission of a transfer order, allocation of monetary means to the Fund from the State Budget

1. The tax authority shall:

(1) within five working days following the day of submitting by each tax agent the monthly calculation of income tax and social contributions and paying the overall sum of stamp fee based thereon, hand over to the Fund the list of those employees of the given tax agent for whom payments of stamp fee has been made in the given reporting period;

(2) within five working days following the deadline for paying the stamp fee prescribed by this Law for direct payer of stamp fees for each reporting period, hand over to the Fund the list of direct payers of stamp fee for the given reporting period who have fully paid the stamp fees in the given reporting period;

(3) within two working days following the payment of the overall sum of stamp fee for the given reporting period by the persons paying stamp fees (in the cases prescribed by this Law — through a tax agent) submit to the authorised body of the Government in the finance sector the transfer order for the given reporting period (hereinafter referred to as “the Transfer Order”) on transfer to the Fund of an amount from the amounts of stamp fee paid by the persons referred to in this point by indicating the amount to be transferred. Moreover, the tax authority shall indicate in the Transfer Order being submitted thereby the amount of stamp fee paid for the given reporting period, which is equal to the amount of the liabilities for the given reporting period with respect to the payment of stamp fees of the persons paying stamp fees.

2. The authorised body of the Government in the financial sector shall — within one working day following the receipt of the Transfer Order — transfer the amount specified in the Transfer Order to the special account of the Fund referred to in part 7 of Article 20 of this Law.

3. Where the amount of stamp fees actually paid for the given reporting period by the given tax agent or a direct payer of stamp fee exceeds the amount specified in the Transfer Order, the authorised body of the Government in the financial sector shall, as prescribed by the Government, determine the status of the amount exceeding the amount specified in the Transfer Order of the stamp fee actually paid by the given tax agent (direct payer of stamp fee).

4. The Government shall establish the form of the lists and the Transfer Order referred to in part 1 of this Article, as well as the procedure for transferring and providing those documents by the tax authority to the Fund and to the authorised body of the Government in the financial sector, respectively.

(Article 16 amended HO-286-N of 21 December 2017)

Article 17. Issue of stamps

1. The stamps shall be issued by the Fund in an electronic form through an electronic system.

2. The issued stamps may have different nominal values.

3. The Board of the Fund shall establish the procedure for issuing, record-registering, acquiring stamps, the nominal value of the stamps subject to issue, as well as the procedure for operating the electronic system necessary for issuing the stamps.

CHAPTER 4

THE FUND FOR COMPENSATION OF DAMAGES CAUSED TO LIFE OR HEALTH OF MILITARY SERVANTS

Article 18. Legal status of the Fund

1. The Fund — established as prescribed by this Law and Law of the Republic of Armenia “On Funds” — shall be a non-profit legal person, vested with public functions, the founder whereof is the Central Bank of the Republic of Armenia (hereinafter referred to as “the Central Bank”).

2. The Fund may perform the functions envisaged only by this Law.

3. The Fund may be liquidated, reorganised or declared as bankrupt only in case the law on

liquidating, reorganising or declaring the Fund as bankrupt is approved.

4. The Fund shall be exempted from the obligation of paying profit tax, value added tax and other taxes provided for by law of the Republic of Armenia, state and local duties, as well as the obligation of making any payment to the state or community budget.

Article 19. Functions and competences of the Fund

1. The Fund shall perform the following functions:

(1) possess, use and dispose of the assets of the Fund in the manner not prohibited by the legislation for the fulfilment of objectives prescribed by this Law;

(2) ensure the payment of compensations to the beneficiaries in case a Compensation case arises;

(3) perform other functions defined by this Law.

2. For the purpose of performing the functions referred to in this Article, the Fund shall be entitled to:

(1) conclude transactions aimed at performing its functions;

(2) receive loans, borrowings and guarantees;

(3) invest its resources in the assets referred to in this Law;

(4) issue bonds and other securities in the Republic of Armenia or foreign countries expressed in Armenian Dram and/or foreign currency;

(5) carry out other actual and legal activities related to its functions and aimed at implementation thereof.

Article 20. Resources of the Fund

1. The resources of the Fund shall be generated from the initial resources of the Fund and other resources thereof received from sources not prohibited by this Law.

2. The initial resources of the Fund shall be generated from the property allocated to the Fund by the founder at the moment of founding, the amount whereof shall be estimated at AMD 10 million.

3. The nominal value and interests of the securities issued by the Fund in accordance with point 5 of part 4 of this Article shall be repaid as prescribed by the Board of the Trustees of the Fund.

4. The resources of the Fund may be generated also from the following sources:

1) amounts of stamp fees collected as prescribed by this Law;

2) loans, borrowings attracted;

3) amounts of donations, gifts, grants;

4) incomes received from the investments of resources;

5) amounts received from the allocation of debt securities issued by the Fund;

6) other sources not prohibited by law.

5. The resources of the Fund may be used only for the following purposes:

(1) paying compensation;

(2) covering the expenses of the Fund within the permissible limits determined in accordance with part 3 of Article 22 of this Law;

(3) fulfilling the obligations assumed by the securities issued by the Fund, loans and borrowings attracted, pursuant to this Law.

6. Resources of the Fund may not be levied in execution, subjected to an attachment or any other restriction upon any claim, except for the claims arising from damages caused to life or health, as well as from salary and resources equivalent thereto, claims of creditors under loan, borrowing contracts and securities issued by the Fund, as well as claims of beneficiaries.

7. The initial record-registration of the monetary means addressed to the Fund shall be carried out in the special account(s) opened in the Central Bank. Upon record-registering in the special account(s) opened in the Central Bank the monetary means shall be disposed of in the directions defined by this Law.

Article 21. Expenses of the Fund

1. Expenses of the Fund shall be as follows:

(1) operational expenses:

a. expenses related to the payment of compensations;

b. interests accrued on loans, borrowings received;

c. expenses related to the management of assets of the Fund;

d. fees related to the receipt of the bank services by the Fund;

e. fees for audit and consultancy services of the Fund, as well as expenses related to publishing the reports and information prescribed by law;

(2) administrative expenses:

a. salary paid to the employees of the Fund and the fees equivalent thereto;

b. other expenses necessary to ensure the proper functioning of the Fund.

2. The Board of Trustees of the Fund shall define the annual permissible limit of the expenses of the Fund. Moreover, the annual administrative expenses of the Fund may not exceed 2 per cent of the amounts of total assets of the Fund of the previous year.

(Article 21 amended by HO-502-N of 29 December 2020)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 22. Management of resources of the Fund

1. Resources of the Fund shall be managed by the Fund. The Fund may delegate the management of resources to an external, independent, specialised manager of the assets selected in compliance with the procedure and criteria of the Board of Trustees of the Fund or may independently manage them.

2. The resources of the Fund may be invested exclusively in the following financial assets:

(1) state securities of the Republic of Armenia, securities of the Central Bank;

(2) the Central Bank and/or banks with high rating as bank deposit and/or bank account;

(3) securities of governments of countries with high rating and/or Central Banks thereof;

(4) other assets meeting to the structure of investment portfolio of the Fund approved upon decision of the Board of Trustees of the Fund.

3. The total expenses of management of resources of the Fund may not exceed two per cent of the value of resources managed. The management expenses of resources of the Fund shall be the salary paid to members of the Executive Committee referred to in part 2 of Article 23 of this Law, whereas in case the management of resources is delegated to an external specialised manager — a fee paid to the manager.

Article 23. Management bodies of the Fund

1. The management bodies of the Fund shall be:

(1) Board of Trustees of the Fund;

(2) director of the Fund;

(3) Executive Committee of the Fund in the cases prescribed by this Article.

2. Where the Fund manages its resources independently, the Executive Committee consisting of three to seven members must be established upon decision of the Board of Trustees of the Fund, the function whereof shall be to professionally manage the assets of the Fund. The persons involved in the composition of the Executive Committee must have a professional experience in the field of asset management. The director of the Fund shall ex officio be a member of the Executive Committee.

3. The procedures for formation, activity and liquidation of the Executive Committee shall be established upon decision of the Board of Trustees of the Fund.

4. The Fund may also have other bodies provided for by the Statute thereof.

Article 24. Board of Trustees of the Fund

1. The Board of Trustees of the Fund (hereinafter referred to as “the Board”) shall be the highest management body of the Fund.

2. The Board shall be composed of 7 members. The members of the Board shall be appointed (elected) for a term of five years.

3. In case a position becomes vacant in the composition of members of the Fund, a new member shall be appointed by decision of the Board adopted by the majority of votes of the members.

4. A person with at least five years of professional experience in the fields of management and finance who also enjoys respect among the public and has an impeccable reputation may be appointed as a member of the Board. Members of the Board shall be obliged to exercise political restraint while implementing the activities thereof.

5. The Board shall have a Chairperson elected by members of the Board from among themselves, for a term of five years.

6. Members of the Board shall participate in the activities of the Board pro bono.

7. The following shall fall within the exclusive competence of the Board:

(1) approving the budget of the Fund, as well as establishing an annual permissible limit of the expenses of the Fund;

(2) appointing the members of the Executive Committee of the Fund, approving the procedures for formation, activity and liquidation of the Committee and — in cases prescribed by the Statute of the Fund — forming other bodies of the Fund and prescribing the powers thereof;

(3) appointing the director of the Fund;

(4) selecting the organisation carrying out the audit of the Fund;

(5) the procedure for, form of publication of quarterly reports by the Fund and approving the reports;

(6) adopting the procedures and decisions, the adoption whereof falls within the competence of the Board under this Law or the Statute of the Fund;

(7) establishing procedure for paying compensations to the beneficiaries;

(8) carrying out corporate supervision over the activities of the Fund;

(9) adopting the decisions referred to in parts 4 and 5 of Article 4 of this Law;

(10) setting a minimum rating threshold for foreign governments, central banks and/or banks with high rating referred to in parts 2 and 3 of Article 22 of this Law.

8. Other powers of the Board shall be prescribed by the Statute of the Fund.

(Article 24 edited by HO-502-N of 29 December 2020)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 25. Director of the Fund

1. The director of the Fund shall be the highest official managing the current activity of the Fund.

2. The director of the Fund shall be appointed by the Board.

3. The competences of the director shall be prescribed by this Law and the Statute of the Fund.

4. The director of the Fund shall:

(1) ensure the natural operation of the Fund;

(2) act on behalf of the Fund without a letter of authorisation;

(3) issue letters of authorisation;

(4) conclude contracts, including employment contracts on behalf of the Fund;

(5) recruit and dismiss the employees of the Fund, apply incentive and disciplinary liability measures with respect thereto;

(6) submit the limits of operational and administrative expenses of the Fund to the Board for approval;

(7) exercise other powers vested therein by the Statute of the Fund.

Article 26. Audit, accountability of and supervision over the activities of the Fund

1. Each year an external, independent, internationally recognised audit organisation shall verify the activities of the Fund. The audit, as well as the accounting in the Fund shall be conducted in compliance with international standards.

2. The Fund shall publish quarterly reports on the activities thereof in the manner, form and content prescribed by the Board.

3. The Government shall — within the scope of the annual report being submitted to the National Assembly — submit information on the activities of the Fund.

4. The supervision over the activities of the Fund shall be exercised by the Central Bank. For the purpose of exercising supervision the Central Bank shall be vested with the powers reserved to the competent body authorised by Law of the Republic of Armenia “On foundations” and to the Central Bank authorised by Law of the Republic of Armenia “On guaranteeing compensation of bank deposits of natural persons”.

CHAPTER 5

TRANSITIONAL PROVISIONS AND ENTRY INTO FORCE OF THE LAW

Article 27. Establishment of the Fund

1. The Board of the Central Bank shall — within two weeks following the day of entry into force of this Law — adopt decision on establishing the Fund, approve the Statute of the Fund and ensure the state registration of the Fund as prescribed by law of the Republic of Armenia.

2. The state bodies and non-governmental organisations referred to in part 2 of Article 24 of this Law shall — within one month following the day of state registration of the Fund — appoint their members of the Board.

3. Where within one month following the state registration of the Fund the non-governmental organisations referred to in point 3 of part 2 of Article 24 of this Law fails to appoint their members or one of them in the composition of the Board, the members of the Board referred to in points 1and 2 of part 2 of Article 24 of this Law shall — within 10 days following the expiry of one-month period referred to this part — appoint the non-appointed members (member).

4. Within two weeks following the appointment of all members of the Board:

(1) the Chairperson of the Board shall be elected;

(2) all legal acts subject to adoption by the Board pursuant to this Law shall be adopted;

(3) appointments of all the officials of the Fund shall be made and all the members of the Fund shall be formed, the appointment or formation whereof falls within the competence of the Board pursuant to this Law.

5. The Central Bank shall — within three working days following the state registration of the Fund — open the bank accounts of the Fund in the name thereof prescribed by this Law and transfer to the Fund the amount referred to in point 1 of part 2 of Article 20 of this Law.

Article 28. Issuing stamps electronically and introducing the electronic system

1. The electronic system shall be introduced and the issuance of stamps electronically shall be launched within one year from the moment of entry into force of this Law.

2. Prior to introducing the electronic system and launching the issuance of stamps electronically, the procedure for issuing, record-registering and acquiring stamps for the purpose of attracting voluntary gifts shall be established by the Board.

Article 29. Adopting secondary legal acts arising from this Law

1. The state administration bodies of the Republic of Armenia shall — within two weeks following the day of entry into force of this Law — adopt secondary legal acts arising from this Law, the adoption whereof shall be vested in those bodies by this Law.

Article 30. Commencement of the obligation to pay stamp fees

1. The obligation to pay stamp fees prescribed by this Law shall arise on 1 January 2017.

Article 31. Other provisions

1. The proper functioning of the Fund shall be ensured by the Central Bank by financing the activities of the Fund in the amounts approved by the Board of the Central Bank.

(Article 31 edited by HO-502-N of 29 December 2020)

(Law HO-502-N of 29 December 2020 has a transitional provision)

Article 32. Entry into force of the Law

1. This Law shall enter into force on the tenth day following the day of its official promulgation.

President
of the Republic of Armenia **S. Sargsyan**

30 December 2016
Yerevan
HO-245-N

Published on a joint site 06.06.24