



Armenia Tax & Legal

Audit / Tax / Advisory



May 2022



Non-Resident Profit Tax

That foreign investors or partners need to know

Non-resident profit tax

They are considered non-resident organizations Organizations established in foreign countries, international organizations (including the permanent institutions (branches) of those organizations registered in the Republic of Armenia).

Profit tax is a state tax paid to the state budget by resident or non-resident organizations, from income received or to be received from the sources of the Republic of Armenia or from sources outside the Republic of Armenia within the timeframe and in the prescribed manner and amount.

Non-residents in the Republic of Armenia pay income tax exclusively on income from Armenian sources. Moreover, the income for taxation for a non-resident is income received through a permanent establishment registered in the Republic of Armenia as well as income received without a permanent establishment.

The non-resident (including an individual) operating through a permanent establishment registered in the Republic of Armenia calculates and pays the profit tax from the income attributed to the permanent establishment independently.

In the absence of a tax agent, non-residents operating in the Republic of Armenia without a permanent establishment submit a profit tax calculation to the tax authority by April 20 of the tax year following the reporting period, and pay the calculated profit tax to the state budget.

The profit tax is calculated and kept by a tax agent, a resident organization of the Republic of Armenia from incomes paid to a non-resident operating in the Republic of Armenia without a permanent establishment, as well as from incomes not attributable to a permanent establishment paid to a non-resident operating in the Republic of Armenia through a permanent establishment.

Non-resident with the status of a permanent establishment registered in the Republic of Armenia calculates the profit tax at the rate of 20% of the tax base determined on an annual basis.

In case incomes do not have the status of a permanent establishment in the Republic of Armenia or are registered as a permanent establishment but are not attributable to a permanent establishment profit tax is calculated according to the types of activities.

Income from insurance compensations, reinsurance payments, transportation (freight) - 5%

Passive income - 10%, moreover dividends on 01.01.2020 and attributed to the following years - 5%.

Increase in the value of assets received from the alienation of securities - 0%

Other income from Armenian sources - 20%

Useful information:

Since November 2018, there has been an exchange of information on non-residents' incomes between the competent authorities (tax authorities) of a number of countries, including Armenia, in order to ensure tax administration and reduce the risk of tax evasion.

These countries are:

1. Russian Federation.
2. Republic of Belarus.
3. Republic of Kazakhstan.
4. Republic of Kyrgyzstan.
5. Republic of Tajikistan.
6. Turkmenistan.
7. Republic of Uzbekistan.
8. Ukraine.
9. Republic of Moldova

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