

# Armenia

Armenia is continuing to take steps to implement the aspects of the terms of reference (OECD, 2021<sup>[1]</sup>) (ToR) for the transparency framework and to commence administrative preparations to ensure that the necessary information gathering process for relevant rulings is finalised and in place (ToR I.A) and that information on rulings is exchanged in accordance with the form and timelines under the transparency framework (ToR II.B). Armenia receives two recommendations on these points for the calendar year 2022 (year in review).

In the prior year report, as well as in the 2019 and 2020 peer review reports, Armenia had received the same recommendations. As they have not been addressed, the recommendations remain in place.

Armenia can legally issue two types of rulings within the scope of the transparency framework.

In practice, Armenia issued no rulings within the scope of the transparency framework.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Armenia.

## Information gathering process (ToR I.A)

73. Armenia can legally issue the following two types of rulings within the scope of the transparency framework: (i) preferential regimes;<sup>1</sup> and (ii) permanent establishment rulings.<sup>2</sup>

### **Past rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1, I.A.2.2)**

74. For Armenia, past rulings are any tax rulings issued prior to 1 September 2019. However, there is no obligation for Armenia to conduct spontaneous exchange information on past rulings.

### **Future rulings (ToR I.A.1.1, I.A.1.2, I.A.2.1)**

75. For Armenia, future rulings are any tax rulings within scope that are issued on or after 1 September 2019.

76. In the prior years' peer review reports, it was determined that processes to ensure the implementation of the obligations relating to the transparency framework with regard to the information gathering process were not yet in place (ToR I.A). Therefore, Armenia was recommended to finalise its information gathering process for identifying all future rulings and potential exchange jurisdictions, as soon as possible.

77. During the year in review, Armenia indicates that a system is in the process of being finalised for the identification and registration of issued tax rulings. Armenia already developed this system, but it still needs to be implemented. As this process is still ongoing, the previous years' recommendation remains in place.

### **Review and supervision (ToR I.A.3)**

78. In the prior years' peer review reports, it was determined that Armenia's review and supervision mechanism was sufficient to meet the minimum standard. Armenia's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

### **Conclusion on section A**

79. Armenia is recommended to continue its efforts to finalise and have in place the necessary information gathering process for identifying all relevant rulings and potential exchange jurisdictions, as soon as possible (ToR I.A).

## Exchange of information (ToR II.B)

### **Legal basis for spontaneous exchange of information (ToR II.B.1, II.B.2)**

80. Armenia has the necessary domestic legal basis to exchange information spontaneously. Armenia notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

81. Armenia has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[2]</sup>) ("the Convention") and (ii) bilateral agreements in force with 51 jurisdictions.<sup>3</sup>

### **Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)**

82. In the prior years' peer review reports, it was determined that Armenia's process for the completion and exchange of templates was not yet in place. Therefore, Armenia was recommended to develop a process to complete the templates on relevant rulings and to ensure that the exchanges of information on

rulings occur in accordance with the form and timelines under the transparency framework. With respect to past rulings, no action was required.

83. During the year in review, Armenia indicates that a system is in the process of being finalised for the completion and exchange of templates on relevant rulings according to the FHTP framework and timelines. As this process is still ongoing, the previous years' recommendation remains in place.

84. During the year in review, no exchanges were required to take place and no data on the timeliness of exchanges is reported.

### **Conclusion on section B**

85. Armenia has the necessary legal basis for spontaneous exchange of information. Armenia is recommended to continue its efforts to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework as soon as possible (ToR II.B).

### **Statistics (ToR IV.D)**

86. As no rulings were issued, no statistics can be reported.

### **Matters related to intellectual property regimes (ToR I.A.1.3)**

87. Armenia does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015<sup>[3]</sup>) were imposed.

### **Summary of recommendations on implementation of the transparency framework**

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
Armenia is in the process to finalise the information gathering process and to put in place a system for the identification and registration of issued tax rulings.	Armenia is recommended to continue its efforts to finalise and have in place the necessary information gathering process for identifying all relevant rulings and potential exchange jurisdictions, as soon as possible. This recommendation remains unchanged since the 2019, 2020 and 2021 peer review reports.
Armenia does not have a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions.	Armenia is recommended to continue its efforts to develop a process to complete the templates for all relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework as soon as possible. This recommendation remains unchanged since the 2019, 2020 and 2021 peer review reports.

### **References**

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <https://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. <sup>[1]</sup>

OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [3]

OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [2]

## Notes

<sup>1</sup>) Free economic zones and 2) Information technology projects.

<sup>2</sup> As of 1 January 2024, Armenia will be able to issue cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles.

<sup>3</sup> Participating jurisdictions to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Armenia also has bilateral agreements with Austria, Belarus, Belgium, Bulgaria, Canada, China (People's Republic of), Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, India, Indonesia, Iran, Ireland, Israel, Italy, Kazakhstan, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Luxembourg, Malta, Moldova, Netherlands, Poland, Qatar, Romania, Russia, Serbia, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tajikistan, Turkmenistan, Ukraine, United Arab Emirates and United Kingdom.



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