

OFFICIAL TRANSLATION

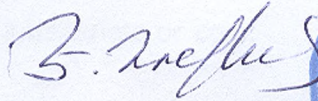
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"TRANSLATION CENTRE OF THE MINISTRY OF JUSTICE  
OF THE REPUBLIC OF ARMENIA"  
STATE NON-COMMERCIAL ORGANISATION

EMILIA ADUMYAN

DIRECTOR

12 SEPTEMBER 2023



LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 18 January 2022

ON NON-CASH OPERATIONS

CHAPTER 1

**GENERAL PROVISIONS**

**Article 1. Subject matter of the Law**

1. This Law shall regulate relations pertaining to non-cash payments made against transactions for alienation of goods and property; use of goods and property;

performance of works and provision of services; salaries, scholarships, pensions, allowances, borrowings, representational expenses, and those made for the purpose of secondment in the territory of the Republic of Armenia, as well as other relations pertaining to non-cash operations.

## **Article 2. Scope of the Law**

1. This Law shall apply to natural persons that are in the territory of the Republic of Armenia, organisations, foreign organisations operating in the territory of the Republic of Armenia, separated sub-divisions of foreign organisations operating in the territory of the Republic of Armenia, individual entrepreneurs, notaries, advocates, as well as state administration and local self-government bodies.
2. This Law shall apply to transactions concluded in the territory of the Republic of Armenia (in writing and verbally) and envisaging actual payment (actually paid) against them in the territory of the Republic of Armenia, as well as to transactions concluded outside the territory of the Republic of Armenia but envisaging a payment (actually paid) in the territory of the Republic of Armenia.

## **Article 3. Main concepts used in the Law**

1. The main concepts used in this Law shall have the following meanings:
  - (1) **non-cash operation (payment)** — payment initiated in a cash or non-cash form which is directed at (transferred to) the bank account of the beneficiary (payee), or a payment initiated in a non-cash form which is directed at (transferred to) the electronic money account of the beneficiary (payee). Moreover, a payment (transfer) made from the bank or electronic money account of the initiator shall be deemed to be a payment initiated in a non-cash form;

- (2) **stall** — a type of trade property prescribed by the Law "On trade and services";
- (3) **salary** — salary prescribed by the Labour Code of the Republic of Armenia and other equivalent payments, as well as income received under a contract prescribed by the Law "On funded pensions";
- (4) **cash operation (payment)** — a non-cash payment prescribed by this Code;
- (5) **cash** — the currency of the Republic of Armenia and foreign currency in the form of a banknote or coin;
- (6) **natural person** — a citizen of the Republic of Armenia, a foreign citizen, dual citizen, or a stateless person;
- (7) **organisation** — a legal person established (having obtained state registration, record-registered) in the territory of the Republic of Armenia, a separated sub-division and an institution thereof operating in the territory of the Republic of Armenia, a foreign organisation, and a separated sub-division of a foreign organisation operating in the territory of the Republic of Armenia;
- (8) **devices interfacing with a payment card or other payment instruments used on the basis of payment technologies** — a POS terminal and other similar devices which allow to accept a non-cash payment;
- (9) **individual entrepreneur** — according to the meaning prescribed by the Law of the Republic of Armenia "On individual entrepreneur";
- (10) **notary** — according to the meaning prescribed by the Law "On notaries";
- (11) **electronic money, payment card, payment instrument** — according to the meaning prescribed by the Law "On payment and settlement systems and payment and settlement organisations";
- (12) **advocate** — according to the meaning prescribed by the Law "On the profession of advocate";

- (13) **bodies of the state administration system** — according to the meaning prescribed by the Law "On bodies of the state administration system";
- (14) **local self-government bodies** — according to the meaning prescribed by the Law "On local self-government bodies";
- (15) **bank** — according to the meaning prescribed by the Law "On banks and banking";
- (16) **insurance company** — according to the meaning prescribed by the Law "On insurance and insurance activities";
- (17) **credit organisation** — according to the meaning prescribed by the Law "On credit organisations";
- (18) **pawn shop** — according to the meaning prescribed by the Law "On pawn shops and pawn shop activities".

**Article 4. Non-cash transactions by individual entrepreneurs, notaries, advocates and organisations**

1. From 1 July 2022, payment for and receipt of payments — exceeding 300,000 Armenian drams — by individual entrepreneurs and organisations in the territory of the Republic of Armenia against alienation of goods and property, use of property, performance of works and provision of services, payment of passive incomes prescribed by the Tax Code of the Republic of Armenia, transactions for provision and receipt of borrowings, where one party thereto is a natural person, shall be carried out in a non-cash form, irrespective of the procedure for payment, unless lower thresholds for the payment against those transactions and other exceptions are provided for by this Law and other laws. Transactions for acquisition of goods formulated in a VAT return account, written off by foreign citizens and stateless persons as prescribed in retail trade shall be

an exception as well, against which the maximum amount of acceptance of an amount in cash in the territory of the Republic of Armenia shall not be applied.

2. Payment and receipt of payment against any transaction carried out between foreign organisations and individual entrepreneurs, natural persons of the Republic of Armenia shall be carried out in a non-cash form, irrespective of the procedure for payment, where the payment or receipt of payment is made in the territory of the Republic of Armenia.
3. Acceptance of payments for provision of advocate services, as well as all consultative (accounting, audit, legal, financial, information technologies and other consultative) services shall be carried out in a non-cash form, unless otherwise provided for by law.
4. Payments for notarial activities or services provided by notary shall be carried out in a non-cash form. The state duty for performing notarial activities shall be charged in a non-cash form by the notary, unless otherwise provided for by law.
5. Payment and receipt of payment for any transaction carried out between individual entrepreneurs, notaries, advocates and organisations in the territory of the Republic of Armenia shall be carried out in a non-cash form, irrespective of the procedure for payment.
6. Loans and borrowings extended by banks and credit organisations shall be provided in a non-cash form only. Banks may accept and return deposits (including interests) also in cash, unless otherwise provided for by the Civil Code of the Republic of Armenia or a contract. Loans extended by banks and credit organisations may be repaid (returned) also in cash, unless otherwise provided for by the Civil Code of the Republic of Armenia or a contract, and loans extended by banks and credit organisations shall be repaid (returned) exceptionally in a non-cash form.

7. Loans extended by pawn shops shall be provided in a non-cash form: from 1 July 2022 — loans extended in an amount exceeding 80,000 Armenian drams, from 1 January 2023 — loans extended in an amount exceeding 50,000 Armenian drams, from 1 January 2024 — loans extended in an amount exceeding 20,000 Armenian drams.
8. Organisations, individual entrepreneurs, notaries and advocates shall not have the right to offer and/or receive — in transactions (contracts) or transaction (contract) offers for alienation of goods and property, use of goods and property, performance of works and provision of services providing for a non-cash payment — a price (value) higher than that offered and/or received in transactions (contracts) or transaction (contract) offers for alienation of goods and property, use of goods and property, performance of works and provision of services providing for a cash payment.
9. The Central Bank may prescribe by its regulatory legal acts the maximum and minimum thresholds for commissions for non-cash transactions prescribed by this Law, as well as the cases, procedure and conditions for payment thereof.

**Article 5. Non-cash transactions between natural persons**

1. From 1 July 2022, the payment and receipt of a payment exceeding 500,000 Armenian drams between natural persons in the territory of the Republic of Armenia against all transactions the rights arising under which shall be subject to mandatory registration shall be carried out in a non-cash form, irrespective of the procedure for payment, unless lower thresholds for payment against those transactions are provided for by other laws, as well as extension and receipt of borrowings exceeding 300,000 Armenian drams shall be carried out in a non-cash form.

2. From 1 July 2023, payment and receipt of a payment exceeding 300,000 Armenian drams between natural persons in the territory of the Republic of Armenia shall be carried out in a non-cash form for all transactions.

**Article 6. Restrictions on payment of salary, pension and other payments in cash**

1. Salaries prescribed by law or employment contracts shall be paid in a non-cash form from 1 July 2022 by organisations, individual entrepreneurs, advocates and notaries carrying out activities in the city of Yerevan, from 1 July 2023 — by organisations, individual entrepreneurs, advocates and notaries carrying out activities in administrative centres of the marzes of the Republic of Armenia, and from 1 July 2024 — by organisations, individual entrepreneurs, advocates and notaries carrying out activities in other communities of the Republic of Armenia. Upon the written application of a person included in a disability group, his or her salary may be paid in cash.
2. Payments made from the state or community budgets and to those budgets shall be carried out in a non-cash form. The Government may prescribe, as an exception from this part, the types of payments and the list of separate categories receiving such payments that may pay in cash or receive payments in cash.
3. Scholarships and payments made for representational expenses, payments made for the purpose of secondment, payments related to public procurement shall be made in a non-cash form by individual entrepreneurs and organisations carrying out activities in the city of Yerevan starting from 1 July 2022, by organisations and individual entrepreneurs carrying out activities in administrative centres of the marzes of the Republic of Armenia — from 1 July 2023, and by organisations and individual entrepreneurs carrying out activities in other communities — from 1 July 2024.

4. Starting from 1 July 2022, payments made against all medical services provided in medical organisations (institutions) carrying out activities in the city of Yerevan, from 1 July 2023 — in the administrative centres of the marzes of the Republic of Armenia, from 1 July 2024 — in other communities shall be accepted in a non-cash form.
5. Starting from 1 July 2022, payments made against all educational services provided in educational (including higher education) institutions carrying out activities in the city of Yerevan, from 1 July 2023 — in the administrative centres of the marzes of the Republic of Armenia, from 1 July 2024 — in other communities shall be accepted in a non-cash form.
6. Insurance compensations shall be made in a non-cash form.
7. Starting from 1 July 2022, state and local self-government bodies shall carry out all operations (making payments and receiving payments) related to their activity in a non-cash form, except for the cases prescribed by the Government.
8. Pensions, state allowances and other monetary payments made through the procedure prescribed for pensions, as well as care allowance shall be paid as prescribed by the Laws "On state pensions" and "On state allowances". Exceptions for payment of pensions, state allowances and other monetary payments made through the procedure prescribed for pensions under the Laws "On state pensions" and "On state allowances", as well as care allowance in a cash form may be prescribed under joint regulatory legal acts of the Central Bank and the Ministry of Labour and Social Affairs.

**Article 7. Splitting up or invalidity of a transaction (contract)**

1. A transaction (contract) split up (divided into two or more parts) for the purpose of evading the requirements of this Law and not fulfilling them shall be deemed



to be one unified transaction (contract) within the meaning of this Law, and the provisions of this Law shall apply to them.

2. Failure to comply with the requirements of Articles 4 or 5 of this Law, including in case of transactions (contracts) comprising a part of the transaction (contract) provided for by part 1 of this Article, shall lead to the invalidity of the transaction (contract). Such transaction (contract) shall be null and void.

***(Article 7 supplemented, edited by HO-269-N of 9 June 2022)***

**Article 8. Calculation of a transaction (contract) expressed in foreign currency and the payments prescribed by this Law**

1. Except for the payments made via card or other payment instruments applied on the basis of payment technologies, when making the payments prescribed by this Law in foreign currency, their calculation for the purposes prescribed by this Law shall be made by taking as a basis the average exchange rate defined and published by the Central Bank, unless otherwise provided for by contract.

**Article 9. Application of devices interfacing with payment cards**

1. Entities having the obligation to use cash registers prescribed by the Tax Code of the Republic of Armenia, as well as those engaged in the sale of airline ticket must, except for stalls, mandatorily ensure the option of non-cash payment via payment cards upon the customer's wish. The mentioned entities, in addition to the acceptance of non-cash payment via payment cards, may ensure — upon their wish — acceptance of non-cash payment via other payment instruments applied on the basis of payment technologies as well.
2. The Government may prescribe the list of the state bodies and local self-government bodies, as well as the entities not mentioned in part 1 of this Article, which must

mandatorily install and use devices interfacing with payment cards or other payment instruments applied on the basis of payment technologies.

3. In case of malfunction of devices interfacing with payment cards or other payment instruments applied on the basis of payment technologies, the entities mentioned in parts 1 and 2 of this Article shall be obliged to repair or replace the given device within two working days, unless shorter time limits are provided for by regulatory legal acts of the Central Bank. Where payments via payment cards or other payment instruments applied on the basis of payment technologies are accepted via cash registers, in case of malfunction thereof the entities mentioned in parts 1 and 2 of this Article shall be guided by the rules approved upon the decision of the Government.
4. Maintenance of devices interfacing with payment cards or other payment instruments applied on the basis of payment technologies shall be carried out as prescribed by the legislation of the Republic of Armenia and/or relevant contracts.
5. Exchange of information related to devices interfacing with payment cards or other payment instruments applied on the basis of payment technologies and/or cash registers, as well as other information related to non-cash operations between the Central Bank and the State Revenue Committee of the Republic of Armenia shall be carried out under a joint regulatory legal act of the Central Bank and the State Revenue Committee of the Republic of Armenia.

***(Article 9 edited by HO-269-N of 9 June 2022)***

## CHAPTER 2

### *SUPERVISION AND LIABILITY*

**Article 10. Supervision over requirements of the Law or regulatory legal acts adopted on the basis thereof**

1. Supervision over compliance — by organisations, individual entrepreneurs, advocates, natural persons and notaries — with the requirements of this Law or regulatory legal acts adopted on the basis thereof shall be exercised and measures of liability shall be imposed by the State Revenue Committee of the Republic of Armenia, except for supervision over persons licensed, registered and/or supervised by the Central Bank and cases of violation of the requirements of other regulatory legal acts containing provisions of labour legislation and employment law. Moreover, in case of transactions between organisations, individual entrepreneurs, notaries and advocates, violation of the requirements of this Law or regulatory legal acts adopted on the basis thereof shall entail liability for all parties to the transaction, while in case of transactions between organisations, individual entrepreneurs, notaries, advocates and natural persons, liability shall arise only in respect of the organisations, individual entrepreneurs, advocates and notaries, except for cases of violation of the requirements of other regulatory legal acts containing provisions of labour legislation and employment law.
2. Supervision over compliance — by persons licensed, registered and/or supervised by the Central Bank — with the requirements of this Law or regulatory legal acts adopted on the basis thereof shall be exercised and measures of liability shall be imposed by the Central Bank, as prescribed by law.
3. Supervision over compliance with the requirements of this Law or regulatory legal acts adopted on the basis thereof, which contain provisions of labour legislation and employment law shall be exercised and measures of liability shall be imposed by the Healthcare and Labour Inspection Body of the Republic of Armenia.

**Article 11. Liability for violation of this Law or regulatory legal acts adopted on the basis thereof**

1. In case of violation by organisations, individual entrepreneurs, advocates and notaries of the requirements of this Law or regulatory legal acts adopted on the basis thereof, except for the provisions which contain norms of labour legislation and employment law, liability prescribed by the Tax Code of the Republic of Armenia shall be imposed, and in case of violation by natural persons of the requirements of this Law or regulatory legal acts adopted on the basis thereof, measures of liability prescribed by the Administrative Offences Code of the Republic of Armenia shall be imposed.
2. In case of violation by organisations, individual entrepreneurs, advocates, notaries and natural persons of the requirements of this Law or regulatory legal acts adopted on the basis thereof, which contain provisions of labour legislation and employment law, measures of liability prescribed by the Administrative Offences Code of the Republic of Armenia shall be imposed.

**Article 12. Final part**

1. This Law shall enter into force on 1 July 2022 and apply to legal relations having arisen after its entry into force.

**Acting President  
of the Republic of Armenia**

8 February 2022

Yerevan

HO-12-N

**A. Simonyan**

**Date of official promulgation: 8 February 2022.**

