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Main comments regarding the ra law "on non-cash settlements" entered into force

From July 1, 2022, payment for a number of transactions, including for the alienation of goods and property, for the use of goods and property, for the performance of work and the provision of services, as well as for transactions for the payment of passive income, for obtaining or issuing a loan from organizations or individual entrepreneurs, where one of the parties is an individual, and where the transaction amount exceeds 300,000 AMD, is to be implemented in a non-cash form.

Among other stipulations, the law also provides that the acceptance of payments for the services of advocates, as well as for other consulting (accounting, auditing, legal, financial, IT and other) services, is carried out in a non-cash form, unless otherwise provided by law. It is also indicated that in the territory of the Republic of Armenia, payment and receipt of payment for any transactions between individual entrepreneurs, notaries, advocates and organizations is carried out in a non-cash form, regardless of the payment procedure.

Moreover, neither in the first case described above, nor in the second, the restrictions on the amounts are envisaged, which makes it possible to assert that the above norms of the law are applicable to payments in any amount.

In view of the foregoing, it seems not entirely justified, that a different stipulation of the same law asserts that, together with the other entities listed above, advocates are prohibited from offering and receiving a higher price (value) in transactions for the provision of services that envisage a non-cash form of payment than for similar transactions with a cash form payment.

It turns out that one provision of the law prohibits advocates from making cash transactions for the provision of advocates' services, and another provision of the law establishes a ban on indicating higher prices for non-cash transactions in comparison with transactions where cash is allowed.

It remains to hope and assume that this discrepancy between the provisions of the law is compensated by the phrase "unless otherwise provided by law", as indicated in the article providing for payment for services in a non-cash form, given in the second paragraph of the same article.

It is also noteworthy that prior to this legislative act, advocates were not singled out as a separate subject of taxation. This issue, in our opinion, remains extremely unregulated, the provisions of the law at hand do not reflect the real state of affairs, taking into account the organizational and legal forms under which advocates carry out their professional activities.

Refusal of cash circulation and improvement of methods of financial monitoring of the circulation of funds, in addition to the positive impact on combating the legalization of criminal proceeds and other primary goals, nevertheless, should be carried out taking into account legal realities, and therefore we hope that in the foreseeable future the necessary legal acts that eliminate the above inconsistencies will be adopted.

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