

LAW OF THE REPUBLIC OF ARMENIA
ON PERSONIFIED RECORD KEEPING OF UNIFIED INCOME TAX AND
FUNDED CONTRIBUTIONS

Article 1. Subject and Scope of the Law

This Law regulates the procedure of submission of unified income tax summary report and individual information as defined by Articles 13 and 15 of the Law of the Republic of Armenia “On Unified income tax” and submission of personified reports (hereinafter, referred to as personified reports) as defined by Article 8, points 3 and 5 of the Law of the Republic of Armenia “On Funded Pensions”.

This Law regulates the relationships pertaining to administration of personified record keeping, as well as the rights and obligations of parties engaged in the personified record keeping process.

Article 2. Legal Regulation of Personified Record Keeping

Relationships pertaining to personified record keeping shall be regulated by this Law, the Republic of Armenia Laws “On Personal Data”, “On Unified Income Tax”, “On Funded Pensions”, “On State Pensions” and other legal acts.

Article 3. Concepts Used in the Law

Concepts in this Law are used in the following meaning:

Employee – a person engaged in labor or civil-legal relationships with the employers (tax agents);

Self-employed – a person gaining income from any activities not prohibited by law, who is not considered as an employee, individual entrepreneur or a notary;

Natural person - employee, self-employed, individual entrepreneur, a notary;



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Personified record keeping database (information database) – completeness of data about natural persons, as defined in this Law;

Personified record keeping – collecting personified information about the funded contributions and unified income tax paid by natural persons, incorporating such data in the database, maintaining such data, making modifications in data incorporated in the database.

Article 4. Goals and Objectives of Personified Record Keeping

Goals and objectives of personified record keeping are as follows:

- 1) Secure enforcement of pension rights of natural persons;
- 2) To secure natural activity of fully funded component of the pension system;
- 3) Analyze the microeconomic indexes of the pension system and make estimates.

Article 5. Principles of Personified Record Keeping

Principles of personified record keeping are as follows:

- 1) Personified nature of personal data record keeping;
- 2) Mandatory incorporation of each natural person making contributions in the personified record keeping system;
- 3) Accessibility for a natural person to his/her personal data (subject of data);
- 4) Use of data incorporated in the information database exclusively in cases provided by law in the manner as provided by legislation.

Article 6. Entity In Charge of Administering Personified Record Keeping

Personified record keeping shall be administered by the state authorized body (hereinafter, referred to as authorized body) in charge of collection of unified income tax and funded contributions.

Article 7. Data Incorporated in Information Database

Information database incorporates:

- 1) the following data about natural persons:
 - a) Social security card number or the statement of information on not holding a social security card, also the taxpayer identification number (if available);
 - b) Second name, first name, patronymic, day, month and year of birth. In case of death of a person – the day, month and year of death;
 - c) Sex;
 - d) Place of registration and actual residence;
 - e) Passport series and number of a citizen of the Republic of Armenia (in case of a citizen under the age of 16 – series and number of the birth certificate). In case of foreign citizens and persons without citizenship – the series and

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number of the document justifying the right to residence in the Republic of Armenia, the series and number of the refugee, certificate of the person with a refugee status;

- f) Citizenship;
- 2) In case of a hired employee, also:
- a) day, month and year of hiring and discharging;
 - b) data of documents justifying labor relationships (contract, order on hiring and etc.), occupation (position);
 - c) taxpayer identification number (TIN), full name and legal address of the employer/s, location or the state registration address, day, month and year of registration with the State Registry and the registration number;
 - d) amount of income calculated as an object of unified income tax and the amount of unified income tax paid as of the employers and months;
 - e) amount of income calculated as an object of funded contributions and the amount of contributions paid as of the employers and months;
 - f) size of voluntary funded contributions.
- 3) In case of an individual entrepreneur, also:
- a) Day, month and year of the state registration, state registration number; date, month and year of termination of entrepreneurial activities;
 - b) Day, month and year of temporary suspension of entrepreneurial activities (temporarily returning the state registration certificate to the tax authority) and recommencing of entrepreneurial activities (getting back the state registration certificate from the tax authority);
 - c) Income calculated as an object of unified income tax and the amount, day month and year of unified income tax paid;
 - d) Income calculated as an object of funded contributions and the amount of contributions paid, as well as the day, month and year of making the funded contributions;
 - e) Prepayments of unified income tax as of quarters, day, month and year of the payment;
- 4) In case of a notary, also:
- a) Day, month and year of appointment and discharging;
 - b) Income calculated as an object of unified income tax and the amount, day, month and year of unified income tax paid;
 - c) Income calculated as an object of funded contributions and the amount of contributions paid, as well as the day, month and year of making the funded contributions;
 - d) Size of prepayments of unified income tax as of quarters, and day, month and year of the payment.
- 5) In case of a self-employed, also:

- a) Type of activities;
 - b) Income calculated as an object of unified income tax and the amount, day, month and year of unified income tax paid;
 - c) Income calculated as an object of funded contributions and the amount of contributions paid, as well as the day, month and year of making the funded contributions;
 - d) License fee amount paid by license fee payers, day, month and year of making such a payment;
- 6) Information about other periods of activities, which in the manner established by law, shall be calculated as a length of service;
 - 7) Contributions made for benefits of temporary incapability, funeral benefit, day, month and year of making such contributions.

Article 8. Individual Account

1. An individual account is a unity of individual data incorporated in the information database of each natural person.
2. An individual account shall be opened by the authorized body based on the fact of receiving information on contributions made by a natural person, given the data incorporated in personified reporting filed in the manner as envisaged by RA legislation.
3. Procedure of opening an individual account shall be established by the authorized body.

Article 9. Development and Administration of the Information Database

1. The authorized entity shall receive data required for development and maintenance of information database from the following entities:
 - 1) Employers (tax agents);
 - 2) Natural persons;
 - 3) Administrator of State Registry as defined by the Law of the Republic of Armenia “On Funded Pensions”;
 - 4) State government entities.
2. Employers (tax agents) and natural persons shall in an electronic form submit data considered as personified reports.

The authorized entity shall secure for employers and natural persons relevant software required for filing of electronic reports.

State government bodies shall submit data in an electronic form.
3. Security of data incorporated in information database shall be guaranteed in the manner defined by law.
4. RA Government shall define the manner of submitting data to the authorized body, whereas the authorized body shall define the format of personified reports and manner of filling out such reports.

Article 10. Submission of Data by Employers Required for Development of the Information Database

1. Employers (tax agents) shall submit personified reports to the authorized body by the 20th day of each month.
2. Personified reports filed by employers (tax agents) shall incorporate data about its employees for the previous month and income calculated for such employees, unified income tax withheld from their income, and as regard to persons engaged in the funded pension system, also data about calculated and withheld funded contributions.
3. Personified reports filed by employers (tax agents) also incorporate summary information about passive income calculated during the course of the previous month by such tax agent with respect to natural persons, as well as unified income tax withheld for such incomes.
4. An employer, who in a legally defined manner, is exempted from obligations of a tax agent shall submit personified reports about employees in the manner established by law, except for calculated (paid) funded payments and unified income tax.

Article 11. Submission of Data by Individual Entrepreneurs, Notaries, Self-Employed Persons as Provided in Article 10, Point 4 of the Law Required for Development of the Information Database

1. Individual entrepreneurs, notaries, self employed persons and employees as envisaged in Article 10, Point 4 of this Law shall submit with the authorized body personified records for the reporting year by April 15 of the following year.
2. Personified reports submitted by individual entrepreneurs, notaries, self employed persons and employees as envisaged in Article 10, Point 4 of this Law should incorporate information about income calculated as an object of unified income tax and the amount of unified income tax paid, as well as the income calculated as an object for funded contributions and the amount of such contributions made for the reporting year.
3. Reports as provided in this Article submitted by employees as envisaged in Article 10, Point 4 of this Law should incorporate information about their employers.

Article 12. Incorporating Data in the Information Database

1. The authorized body shall compare the submitted data with the information available in the information database and data provided by state government bodies.
2. The authorized body shall incorporate data in the information database provided there are no errors in the data filed.
3. In case of discovering errors in the filed data the authorized body shall not accept the reports by notifying the person having filed the data within 5 working days;

4. If there are errors available in the submitted data which are the result of a typo (a typo is considered to be a grammatical or numerical error, which does not result in a quantitative or content wise change with respect to rights and obligations of the person filing data and the subject of data, nor does it relate to any arithmetic values including an amount or a quantity) the authorized body shall accept the report and incorporate the correct data in the information database, by notifying the person having submitted the report about the typo.
5. In case of occurrence of the event as provided in Point 3 of this Article, the person having filed the report, shall submit a new report in the manner as provided by this Law.
6. The authorized body shall establish the procedure of notification about availability of inconsistencies in submitted data.

Article 13. Amending Data Incorporated in Information Database

1. Amendments to data incorporated in the information database shall be done provided there are:
 - 1) Inconsistencies in data;
 - 2) Changes in any data pertinent to the natural person.
2. The following persons can apply for making amendments to data incorporated in the information database:
 - 1) The employer;
 - 2) Subject of the data.
3. Amendments to data incorporated in the information database shall be made on the basis of the following:
 - 1) Improved personified report submitted by the employer;
 - 2) Administrative act, including an inspection act adopted by the authorized body in a manner defined by legislation;
 - 3) Lawfully enforced court act substantially resolving the issue.

The improved personified report as provided in sub-point 1 of this Point shall be filed in a manner defined by Law.

4. RA Government shall define the procedure of making amendments to data incorporated in the information database.

Article 14. Sharing of Data Incorporated in the Information Database with Government Authorities and Other Organizations

The authorized body shall, in the manner established by RA Government, provide information from the information database to the following entities:

- 1) State authorized body of the pension system authorized by RA Government;
- 2) Register of Participants as set forth in RA Law “On Funded Pensions”;

- 3) Organizations defined by RA Government and other state administration bodies.

Article 15. Rights and Obligations of Employees, Self-Employed Persons, Individual Entrepreneurs and Notaries

1. An employee, a self-employed person, an individual entrepreneur and a notary shall be entitled to:
 - 1) receive the statement of his/her individual account in the manner established by RA Government – such a statement should be provided in an electronic or paper form;
 - 2) Apply in writing to the authorized entity or the employer aimed at correcting (amending) the data in his/her individual account;
 - 3) Receive from the employer (tax agent) a copy of his/her individual account submitted to the authorized body;
 - 4) Appeal or argue in a judicial or administrative manner the actions or inaction of officials of the authorized body or the employer (tax agent) in regard to data of his/her individual account.
2. An employee, a self-employed person, an individual entrepreneur and a notary shall be obligated to:
 - 1) Submit to the authorized body the data in the manner and timelines set forth in this Law;
 - 2) Upon the request of the authorized body submit documents verifying the data subject to be incorporated in the individual account;
 - 3) As and when necessary submit to the employer (tax agent) and the authorized body documents verifying the data relating to him/her.

Article 16. Rights and Obligations of an Employer (Tax Agent)

1. An employer (tax agent) shall be entitled to:
 - 1) Require and receive from employees documents verifying the submitted data;
 - 2) Check the data incorporated in the information database relating to its employee in the manner as established in this Law.
2. An employer (tax agent) shall be obligated to:
 - 1) Submit to the authorized body the personified report as required and in pursuance of the manner and timelines as set forth in this Law;
 - 2) submit a new report in cases and within timelines established by this Law;
 - 3) On the basis of the written application of its employee provide the later with a copy of personal data submitted to the authorized entity;
 - 4) When submitting data, check the consistency of data of the social security card (or certificate on not holding a social security card) and the passport or other identification document of the employee.

Article 17. Authorities of the Authorized Entity

1. Authorities of the authorized body are as follows:
 - 1) Receive data from employers (tax agents), natural persons and state government bodies in the manner as established by RA Government, verify authenticity of the submitted data, make changes in data incorporated in information database;
 - 2) Open an individual account for a natural person in the individual record keeping system;
 - 3) Maintain in a reliable manner the data available in individual accounts of natural persons, as well as the individual record keeping documents on the basis of which such data have been developed;
 - 4) Notify a tax agent about the outcome of processing the submitted documents and the need for correcting inconsistencies available in the documents;
 - 5) On the basis of application of the data subject provide the latter a statement of his/her individual account, in the manner as established by RA Government in an electronic or paper form;
 - 6) Provide relevant software to a person submitting personified reports required for electronic filing of reports and deliver services in the area of electronic filing of reports in the manner as established by the Government of the Republic of Armenia.

Article 18. Liability for Breaching the Law

Violation of this Law will entail liabilities envisaged by Law.

Article 19. Ending Provisions

1. This Law shall be enforced on January 1, 2010.
2. Employers shall submit data first time before February 20, 2010 – which shall entail data for the reporting period of January, 2010.
3. Persons envisaged in the Article 11 of this law shall submit data for the first time by April 15, 2011 – for the reporting period of year 2010.
4. Personified reports filed by employers (tax agents) for the first time shall in the manner as established by the RA Government incorporate information provided by an employee about the place of his/her residence.