

country has its own FEZ rules, depending on the country of export.

Armenia's FEZ include:

- ▶ Alliance (for Hi-Tech and Pharmaceuticals) in Yerevan
- ▶ Meridian (Jewelry and Watchmaking) in Yerevan
- ▶ Meghri (for cooperation with Iran, 2km from the Iranian "Aras" FEZ)
- ▶ ECOS in the Hrazdan region is focusing on production, Hi-Tech, and blockchain.

An investor can be a FEZ resident by obtaining permission from the Government of Armenia upon evaluation of Application, Business Plan, and Reference provided by the organizer about activities performed in the FEZ. The process could take up to 4 months. [Click here for more.](#)

▶ TAXES

When opening a business, you get to opt for turnover or micro-business tax regimes within 20 calendar days of the company's registration.

There are special tax regimes in place for small family businesses, exempting them from corporate income tax and value added tax if their annual turnover **does not exceed 9 million AMD (~22,000 USD)**. From 2025, up to **115 million AMD** turnover is subject to a **10% tax**, replacing the Corporate Income Tax (CIT) and Value Added Tax (VAT). Over that, businesses are expected to pay **18% CIT and 20% VAT**. A Patent Tax of a flat monthly fee would replace the CIT and VAT for certain trades, such as dentist offices, games and entertainment facilities, small restaurants, auto and transportation services, beauty salons, etc. Dividends are taxed at 5%, but double treaties may lower this amount.

Payroll taxes include both personal income tax (PIT) and social security payments (SSP) withheld from employees and contractors. The taxes apply to salaries, benefits, bonuses, temporary disability compensation, maternity leave compensation, and such others. Check with your accountant for the full list. The **SSP withheld is 5% of incomes up to 500,000 AMD, or 10% of incomes above that**. The maximum amount held back each month cannot exceed 25,000 AMD.

Imported goods are subject to taxation at **20% VAT**, though there are a number of exceptions. For certain government-approved projects, VAT payments can be deferred for up to three years. There are no import duties for items shipped from Russia, Belarus, Kazakhstan, and Kyrgyzstan.

There are no taxes on capital gains on the sale of securities, real estate, or other assets. However, depending on the nature of the company, you can expect excise, environmental, road, real estate, and/or vehicle property taxes to be added. Excise taxes are expected to increase by **3% per year**.

NOTE: A zero-tax regime exists for certain types of business, including micro (defined as having sales under 24 million AMD a year) not in the Yerevan region, those operating outside the capital (especially in border regions) or in a FEZ, etc.

▶ FOREIGN OWNERSHIP

Foreigners may own 100% of the company without the need for local partnership. There are no citizenship restrictions applied to ownership or stakeholders. All employees can also be foreigners. There are no laws forcing a certain ratio to be local employees. A local address is also unnecessary. The foreigner may be the only director as well as the full owner of the company.

▶ FOREIGN INVESTMENT

- ▶ An investor in Armenia is freely allowed to export their cash and profits made during their investment. Types of investment allowed in Armenia by foreigners, include:
- ▶ Foreign currency deposits
- ▶ Movable and immovable property
- ▶ Securities provided by the legislation of the RA
- ▶ Economic activities allowed by legislation
- ▶ Extraction of natural resources
- ▶ Acquisition of existing enterprises
- ▶ Opening of branches and representative offices of foreign legal entities
- ▶ Opening a foreign legal entity
- ▶ Acquisition of shares in existing companies in the RA

▶ GOVERNMENT INCENTIVES

Certain incentives for your business include:

- ▶ Up to 30% profit tax reduction for new jobs created for a period of 3 years
- ▶ VAT payments postponement for up to 3-year period for importing equipment and goods
- ▶ Profit tax privileges for large importers
- ▶ Reduced corporate tax for large exporters
- ▶ 0% VAT, corporate, property, customs duty taxes up to 10 years in Free Economic Zones: residents of Free Economic Zones (FEZ) are exempt from all taxes except the payroll taxes.
- ▶ 0% corporate tax, income tax and VAT in specific territories of Armenia
- ▶ Customs duty exemption for materials and equipment/technology
- ▶ Support for creation of startups by SME DNC
- ▶ Inactive (dormant) companies do not pay taxes or file tax returns
- ▶ IT companies applying for an IT Start-Up certificate (issued by the Ministry of High-Tech Industry) after May 18, 2019, are exempted from corporate tax. As of 2025, certified IT startups pay a **turnover tax of 1% and income tax on salaries of only 10%**. You can read more [here](#).

NOTE: This is only available to companies with under 30 employees, as well as those not considered subsidiaries or branch offices for foreign companies.