

LAW
OF THE REPUBLIC OF ARMENIA
ON INDIVIDUAL ENTREPRENEUR

Adopted on April 3, 2001

This Law defines the rights, obligations and responsibilities of an individual entrepreneur, guarantees of his/her activities and conditions of terminating the activities.

Article 1. Individual Entrepreneur

An individual entrepreneur is a natural person who has the right to implement activities, independently on his/her behalf and at his own risk, without forming a legal entity, the main purpose of which is to gain profit (income) from using property, selling goods, performing works or delivering services.

Individual entrepreneurs can be the citizens of the Republic of Armenia and foreign citizens with capability, as well as those persons without citizenship, whose right of being engaged in entrepreneurial activities is not limited by law.

A natural person recognized as bankrupt that has not discharged his/her obligations serving as grounds for recognizing him/her bankrupt at the moment of filing an application cannot be registered as an individual entrepreneur.

Rules regulating the activities of legal entities deemed to be commercial organizations by law, shall apply to the entrepreneurial activities of individual entrepreneur, unless otherwise derived from the law, other legal acts or from the nature of legal relations.

While implementing entrepreneurial activities, a natural person being an individual entrepreneur shall be obligated to act as an individual entrepreneur.

Implementation of entrepreneurial activities by an individual entrepreneur as a natural person shall be considered as an activity implemented by the individual entrepreneur.

Article 2. Legislation on Individual Entrepreneur

Activities of the individual entrepreneur shall be regulated by the Civil Code of the Republic of Armenia, this Law, other laws and legal acts.

In case International treaties of the Republic of Armenia define norms other than those defined by this Law, norms of the treaty shall apply.

Article 3. Legal Capacity and Capability of Individual Entrepreneur

Legal capacity and capability of a natural person as an individual entrepreneur shall arise from the moment of his/her state registration and shall terminate from the moment of termination of legal capacity and capability of that natural person, as well as from the moment of recognizing the state registration as null, void and invalid in cases prescribed by law.

Article 4. State Registration of an Individual Entrepreneur and Termination of his/her Activities

State registration and termination of activities of an individual entrepreneur shall be conducted according to the procedure defined by law.

State registration of an individual entrepreneur shall be without time limit if he/she, according to his/her application, does not require registration with a defined time period.

The individual entrepreneur shall be given a certificate that shall be a document certifying his/her right to be engaged in entrepreneurial activities.

Article 5. Location of Individual Entrepreneur

The place of location of an individual entrepreneur shall be his/her place of residence.

Article 6. Rights of Individual Entrepreneur

An individual entrepreneur shall have the civil rights necessary for implementing any types of activities not prohibited by law.

An individual entrepreneur can be engaged in an individual type of activities, the list of which shall be defined by law, on the basis of a special permission (license).

The rights of an individual entrepreneur can be limited only in the cases and according to the procedure prescribed by law.

Individual entrepreneur shall have property by the title, and shall be liable for his obligations with that property. He may acquire and exercise property rights and personal non-property rights in his name, bear obligations, and act in court as a claimant or respondent.

An individual entrepreneur shall have the right of self-defense of his civil rights.

An individual entrepreneur shall have the right:

- a) to found a commercial organization or become its participant in cases prescribed by law;
- b) to have commercial representations;
- c) to be an entrusted manager;
- d) to carry out joint activities according to a contract with other individual entrepreneurs or commercial organizations;
- e) to have a seal, a stamp and a settlement account in the bank;
- f) to have hired employees;
- g) to have other rights defined by the legislation.

Article 7. Financial Indicator of the Activities of an Individual Entrepreneur

The financial indicator of the individual entrepreneur's activities shall be his income.

An individual entrepreneur shall, according to the procedure defined by law, pay corresponding taxes, duties and other mandatory payments. An individual entrepreneur shall not have a balance sheet.

Article 8. Obligations of an Individual Entrepreneur

An individual entrepreneur shall be obligated to:

- a) observe, during his activities, the conditions of ensuring human security, life and health protection, maintenance of natural and cultural values defined by legislation;
- b) file a self-bankruptcy claim in the court in cases and according to the procedure prescribed by law;
- c) bear other obligations according to the procedures defined by law.

Article 9. Responsibility of an Individual Entrepreneur

An individual entrepreneur shall be liable for his obligations with the property belonging to him, with the exception of property upon which, in accordance with the law, seizure cannot be applied.

An individual entrepreneur shall, according to the procedure defined by law, bear liability for the damage caused by him to other persons.

Article 10. The Procedure of Enforcement of the Law

This Law enters into force from the moment of its official promulgation.

Before the enforcement of this Law, the registered individual businessmen shall be considered as individual entrepreneurs, and the provisions of this Law shall apply to them, and they shall not be obligated to register again.

An individual businessman shall have the right to apply to the state registering body for receiving a certificate of an individual entrepreneur, without paying a stamp duty or other mandatory payments.

Recognize the law of the Republic of Armenia On Individual Entrepreneur, December 27, 1993 as invalid.

April 25, 2001