

**COMPETENT AUTHORITY AGREEMENT
ON MUTUAL ADMINISTRATIVE ASSISTANCE AND
EXCHANGE OF INFORMATION
IN RESPECT OF TAXES ON INCOME AND ON CAPITAL**

State Revenue Service of the Republic of Latvia and the Ministry of Finance of the Republic of Armenia, hereinafter referred to as Parties,

having regard to provisions of the Convention between the Republic of Latvia and the Republic of Armenia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital dated 15 March 2000 (hereinafter referred to as the Convention) in respect of exchange of information, as well as domestic laws of the Contracting States,

whereas both Parties seek to enhance mutual assistance,

whereas it is recognised that automatic exchange of information without preconditions is the most effective means of enhancing the correct assessment of taxes in cross-border situations and of fighting fraud,

whereas the exchange of information upon request and spontaneous exchange of information between Contracting States should also be strengthened and encouraged,

whereas the State Revenue Service of the Republic of Latvia is an authorized representative of the Ministry of Finance (competent authority according to the Convention) for exchange of information,

whereas the Ministry of Finance of the Republic of Armenia is authorized to exchange information under the Convention

have agreed as follows:

**Article 1
General provisions and definitions**

1. Pursuant to Article 26 of the Convention, the Parties shall exchange information necessary for carrying out the provisions of the Convention or of their domestic laws concerning taxes covered by the Convention.
2. For the purposes of this Agreement:

- a) the terms "Contracting State" and "the other Contracting State" mean Republic of Latvia or Republic of Armenia, as the context requires;
- b) the terms "competent authority" and "Party" mean:
- (1) in Republic of Latvia, the State Revenue Service;
 - (2) in Republic of Armenia, the Ministry of Finance;
- c) the term "exchange of information upon request" means the exchange of information based on a request made by the requesting Contracting State to the requested Contracting State in a specific case;
- d) the term "automatic exchange of information" means the systematic communication of predefined information to another Contracting State, without prior request, at pre-established regular intervals;
- e) the term "spontaneous exchange of information" means the non-systematic communication, at any moment and without prior request, of information to another Contracting State;
- f) the term "administrative enquiry" means all controls, checks and other actions taken by Parties in the performance of their duties with a view to ensuring the proper application of tax legislation;
- g) the term "by electronic means" means using electronic equipment for the processing, including digital compression, and storage of data, and employing wires, radio transmission, optical technologies or other electromagnetic means;
- h) the term "requesting Party" means competent authority making a request for information;
- i) the term "requested Party" means competent authority receiving a request for information.

Article 2

Exchange of Information upon Request

1. The Parties shall use their best endeavours to provide information upon request as soon as possible and no later than six months from the date of receipt of the request.
2. The request for information shall contain the following minimum information:

- a) a reference to a specific article of a particular legal instrument on the basis of which information is requested;
- b) details of the domestic taxpayer concerned: name or given name and surname, taxpayer identification number, legal address or declared place of residence;
- c) details of the non-resident concerned: name or given name and surname, taxpayer identification number, legal address or declared place of residence (if available);
- d) activities performed by the domestic taxpayer and non-resident (if the domestic taxpayer and non-resident are considered to be related persons);
- e) type of tax concerned;
- f) the period of time concerned;
- g) background information of the case, description of the transactions performed and the reason for request;
- h) information which is being requested;
- i) urgency in relation to provision of the response, if applicable;
- j) information concerning the stage of administrative enquiry of the domestic taxpayer, during which the information is being requested.

3. Having received a request for information from the other Party, competent authority shall verify whether the following details are included therein:

- a) the identity of the person under examination;
- b) the period of time concerned;
- c) the nature of the information requested and the form in which the competent authority would prefer to receive it;
- d) type of tax concerned;
- e) substantiation for foreseeable relevance of the information requested;
- f) the grounds for belief that the information requested is present or held in the other Contracting State or is in the possession of, or obtainable from a person within the jurisdiction of the laws and regulation of the state which received the request;
- g) identification of the particular person (for a natural person – given name, surname, personal identity number, for a legal person – taxpayer name and registration code) (to the extent known) who is believed to be in possession of, or able to obtain, the information requested;
- h) a statement that the requesting foreign state has exhausted the usual sources of information which it could have used in the circumstances for obtaining the information requested, without running the risk of jeopardising the achievement of its objectives (except cases where that would place disproportionate administrative burden on the requesting Contracting state).

4. If the information referred to in Paragraph 3 of this Article is missing in the received request for information, the requested Party shall refuse to provide

information and shall inform the competent authority of the requesting Contracting State of reasons for declining the request for information.

5. The Party shall notify the other Party of deficiencies detected in the request of information within a month after receipt of the request for information and shall request to rectify them or, if necessary, request to provide additional information. The countdown for deadline referred to in Paragraph 1 of this Article shall commence on the following day after the Party has received an updated request for information or the necessary additional information.
6. The Party may provide the other Party with feedback on a response received.

Article 3 **Automatic Exchange of Information**

1. On the basis of Article 26 of the Convention, each Party shall, to the extent possible on the basis of the information available to it under its domestic laws and practices, supply the other Party with information concerning income derived in the Contracting State by persons who are fiscal residents of the other Contracting State, in automatic manner, without prior request.
2. The Parties shall, by automatic exchange, communicate to each other information regarding taxable periods as from 2014 that is available concerning residents of the Parties on the following specific categories of income and capital as they are to be understood under the national legislation of the Parties:
 - a) income from immovable property,
 - b) business profits,
 - c) dividends,
 - d) interest,
 - e) royalties,
 - f) capital gains,
 - g) income for the provision of independent professional services,
 - h) income from employment,
 - i) directors' fees,
 - j) income of artists and sportsmen,
 - k) pensions,
 - l) income from government services and public pensions,
 - m) payments to students for education and training,
 - n) other income.

3. The communication of automatic information shall take place at least once a year, within six months following the end of the tax year of the Contracting State during which the information became available.
4. In the automatic information, the Parties shall specify the following details in respect of each recipient of income (to the extent known):
 - a) name of the non-resident – recipient of income (for natural persons – given name, surname);
 - b) identification number or passport number of non-resident – recipient of income in the state of residence;
 - c) date of birth of non-resident - recipient of income;
 - d) address of non-resident – recipient of income in the state of residence (street, house number, town, populated area, postal code);
 - e) code of the state of residence of the non-resident – recipient of income (ISO);
 - f) code of the type of non-resident – recipient of income (01 – natural person, 02 – capital company, 03 – partnership, 04 – form of entrepreneurial activity which is neither capital company nor partnership, 05 – government or international institution, 06 – other, 07 – unknown);
 - g) name of disburser of the income (for natural persons – given name, surname);
 - h) taxpayer code of the disburser of the income;
 - i) address of disburser of the income (street, house number, town, populated area, postal code);
 - j) code of the type of disburser of the income (01 – natural person, 02 – capital company, 03 – partnership, 04 – form of entrepreneurial activity, which is neither capital company nor partnership, 05 – government or international institution, 06 – other, 07 – unknown);
 - k) code of the type of disbursed income (6 – income from immovable property, 7 – business profits, 10 – dividends, 11 – interest, 12 – royalties, 13 – capital gains, 14 – income for the provision of independent professional services, 15 – income from employment, 16 – directors’ fees, 17 – income of artists and sportsmen, 18 – pensions, 19 - income from government services and public pensions, 20 - payments to students for education and training, 21 – other income);
 - l) date of disbursement of the income;
 - m) currency and sum of the disbursed income;
 - n) tax rate of withholding tax;
 - o) currency and amount of withholding tax imposed.
5. The Party may notify the other Party that it does not wish to receive information on any particular categories of income and capital, or that it does not wish to receive information on income or capital not exceeding a specific threshold amount.

6. The Party may provide the other Party with feedback on automatic information received.

Article 4

Spontaneous Exchange of Information

1. The competent authority of each Contracting State may communicate, by spontaneous exchange, to the competent authority of the other Contracting State any information of which it is aware and which may be useful to the competent authority of the other Contracting State, in particular in case:
 - a) the competent authority of a Contracting State has grounds for supposing that there may be a loss of tax in the other Contracting State;
 - b) a person liable to tax obtains a reduction in, or an exemption from, tax in one Contracting State which would give rise to an increase in tax or to liability to tax in the other Contracting State;
 - c) business dealings between a person liable to tax in one Contracting State and a person liable to tax in the other Contracting State are conducted through one or more countries in such a way that a saving in tax may result in one or the other Contracting State or in both;
 - d) the competent authority of a Contracting State has grounds for supposing that a saving of tax may result from artificial transfers of profits within groups of enterprises;
 - e) information forwarded to one Contracting State by the competent authority of the other Contracting State has enabled information to be obtained which may be relevant in assessing liability to tax in the latter Contracting State.
2. The Parties shall send the information referred to in Paragraph 1 of this Article to each other as soon as possible, and no later than a month after the information has become available.
3. Requesting Party may request requested Party to provide feedback on spontaneous information sent. If requested, feedback shall be provided without delay, and no later than three months after the results of use of spontaneous information have become known.

Article 5

Costs

Unless otherwise agreed by the Parties, ordinary costs incurred in providing assistance shall be borne by the requested Party. Extraordinary costs shall be borne by the requesting Party subject to prior agreement.

Article 6

Secrecy

The use and disclosure of information exchanged shall be governed by secrecy provisions defined in Article 26 of the Convention.

Article 7

Standard forms and computerised formats

The information referred to in Article 3 shall be provided, to the extent possible, in standardised form using the Standard Transmission Format of the Organisation for Economic Co-operation and Development (OECD).

Article 8

Contact Details of Competent Authorities

For the application of the Agreement the contact details of competent authorities are the following:

In the Republic of Latvia:

State Revenue Service

1 Talejas str., Riga, Latvia, LV-1978

In the Republic of Armenia:

Ministry of Finance

1 Melik-Adamyanyan str., 0010, Yerevan, Armenia

The competent authorities of the Contracting States provide each other with a list of officers authorized to enforce this Agreement, as well as subsequent changes thereto.

Article 9

Consultation

The competent authorities of the Contracting States shall consult each other whenever necessary under this Agreement.

Article 10

Application, Amendment and Termination

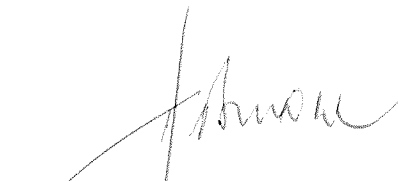
This Agreement shall apply from the date of its signature. It may be amended at any later stage by mutual agreement between the competent authorities of the Contracting States. This Agreement is concluded for an indefinite time. It may be terminated by written notification by either Party. The competent authorities may review the Agreement at any time by mutual negotiations.

Article 11
Settlement of Disputes


The disputes which might arise from application and interpretation of the provisions of this Agreement shall be settled by mutual consent of the Parties by consultations and negotiations.

DONE at Yerevan, Republic of Armenia on 25 September 2014, in triplicate in the English, Armenian and Latvian language, all three texts being equally authentic. In the case of divergence of interpretation the English text shall prevail.

**On behalf of the
State Revenue Service of the
Republic of Latvia**


**Ināra Pētersone
Director General**

**On behalf of the
Ministry of Finance of the
Republic of Armenia**


**Gagik Khachatryan
Minister**