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**CENTRAL BANK OF THE REPUBLIC OF ARMENIA
BOARD RESOLUTION
06 December 2011 No. 336-N**

**ON APPROVAL OF REGULATION 10/14 ON “PROCEDURE FOR CALCULATING THE
NET ASSET VALUE OF INVESTMENT FUNDS FOR THE PURPOSES OF TAXABLE
PROFIT”**

With the aim of prescribing uniform principles for calculating net assets for the purposes of taxation of investment funds and by virtue of the Republic of Armenia Law on “Profit Tax”, Article 6 and guided by the Article 20 (e) of the Republic of Armenia Law on “The Central Bank of Armenia” and Article 16 of the Republic of Armenia Law on “Legal Acts”, the Board of the Central Bank of Armenia **decides to:**

1. Approve Regulation 10/14 on “Procedure for calculating the net asset value of investment funds for the purposes of taxable profit”, pursuant to Appendix (attached).
2. This Resolution shall enter into force on the tenth day following the date of its official publication.

**Signed by the Chairman of the Central Bank of RA
Arthur Javadyan**

APPROVED BY

Central Bank of the Republic of Armenia

Board Resolution N 336-N, dated December 6, 2011

APPROVED BY

The Republic of Armenia Finance Minister

Order N 1226-N dated December 30, 2011

Chairman of the Central Bank of the Republic of Armenia

Arthur Javadyan _____

December 8, 2011

Finance Minister of the Republic of Armenia

Vache Gabrielyan _____

December 30, 2011

REGULATION 10/14

**PROCEDURE FOR CALCULATING THE NET ASSET VALUE OF INVESTMENT FUNDS
FOR THE PURPOSES OF TAXABLE PROFIT**

CHAPTER 1. SUBJECT MATTER

1. This Regulation defines the procedure for calculation of net asset value of investments funds (including non-public investment funds) (hereinafter referred to as fund) for the purposes of determination of taxable profit.

2. The terms used in this Regulation shall have the meaning as defined by the Law of the Republic of Armenia on “Investment Funds” and the Law of the Republic of Armenia on “Profit Tax”.

**CHAPTER 2. CALCULATION OF FUND’S NET ASSET VALUE FOR THE PURPOSES OF
TAXATION**

3. For the purposes of determining a public fund’s taxable profit, the net asset value (taxable profit) of the fund shall be calculated using the following formula:

$$\text{TNAV} = \text{TNAV}_1 + \text{TNAV}_2 + \dots + \text{TNAV}_F, \text{ where}$$

TNAV – is the fund’s net asset value calculated for the for the purposes of determining taxable profit,

TNAV_i – is the fund’s net asset value calculated for the purposes of determining taxable profit as of the i -th day, which shall be calculated using the following formula:

$$\text{TNAV}_i = (\text{NAV}_i + D_i) / F, \text{ where}$$

NAV_i – is the net asset value of the fund as of the i -th day calculated pursuant to Chapter 14 of the Regulation 10/04 on “Procedure for calculating net asset value of investment funds”, approved by the Central bank of the Republic of Armenia Board Resolution 335-N, dated December 6, 2011;

D_i – is the amount of dividends and other similar disbursements paid to fund investors (shareholders) from fund assets during the period starting the beginning of the year until the i -th day (including);

F – is the frequency of calculation of the fund’s net asset value during the year (the quantity of the fund’s net asset value calculations during the year). If the net asset value of the fund is being calculated on a daily basis, then the F is equal to 365, whereas for the calculation of the accrued amount of profit tax for non-business days, the net asset value of the previous business day shall be considered. In case of changing the frequency of calculation of the fund’s net asset value according to the fund’s rules (charter), the changed F shall be calculated for the period starting the date when those changes entered into force until December 31st of the given year.

4. For the purposes of determining a non-public fund’s taxable profit, the fund’s net asset value shall be calculated pursuant to the rules (charter) of that fund, without subtracting from the fund’s total market value the amounts payable to the fund investors in the form of dividend or other similar form.