

DEVELOPER'S GUIDE



Yerevan 2016



Dear Developer,

This is a Developer's Guide, which has been elaborated by the State Urban Development Committee adjunct to the Government of the Republic of Armenia and provides details on the successive steps of the development process (including through the use of an electronic system for issuing urban development permits) and the interrelated functions in Armenia with references to the relevant legal acts.

Having regard to their scale, purpose, significance, as well as human and environmental safety, urban development projects are classified into five categories, according to the level of risk.

The principle of distinguishing between the development procedures, according to the level of risk of urban development projects, made it possible to reduce the functions of issuing development permits, differentiating them according to the complexity and the labour intensity of the specific issue, while ensuring the reliability and safety of the built project.

With a view to prescribing clearer and simpler terms for issuing permits, as well as avoiding overlaps and duplications, the legislative acts that regulate separate stages of the development procedure, and those approved in different years have been revised (*in particular, Decisions of the Government of the Republic of Armenia No 257-N of 3 March 2011, No 1473-N of 29 August 2002, No 812 of 21 December 1998, No 711-N of 6 May 2010, No 91 of 2 February 2002, No 626-N of 8 May 2003 have been repealed*), being integrated into a single document (*Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015*).

Through the application of the given principle, it is expected to create in the sector of urban development a clear, favourable and complete legal environment for investors, where the succession of actions to be carried out are clear and the terms thereof are simplified to the extent possible.

We are certain that knowledge of the procedures prescribed by the legislation of the Republic of Armenia is one of the prerequisites for successful performance of urban development functions.



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I. CLASSIFICATION OF CONSTRUCTION PROJECTS ACCORDING TO THE LEVEL OF RISK (CATEGORY)

Having regard to the scale, purpose, significance, as well as human and environmental safety, the construction projects of the Republic of Armenia are classified into five categories:

Category I — *low-risk projects* include current repair of buildings and structures, their interior finishing works, improvement of areas and other small-scale construction works, which may be carried out by the developer without design and construction permits.

Annex No 1, List 1 of Annex No 4 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015

Category II — *medium-risk projects* include the construction projects, the expert review of the design documents of which is replaced with the warranty issued by the design organisation, whereas the technical inspection of the quality of construction is replaced with the warranty of the construction organisation.

Annex No 1, List 2 of Annex No 4 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015

Category III — *medium-to-high risk projects* include the projects with indicators ranging between Categories II and IV, the design documents of which are subject to simple expert review.

Annex No 1 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015

Category IV — *high-risk projects* include the construction projects having a special and crucial purpose, the design documents of which are subject to state complex expert review. Category IV projects also include the projects having a special and crucial purpose in the field of seismic protection, which are prescribed by the authorised body in the field of seismic protection.



Annex No 1, List 3 of Annex No 4 to Decision
of the Government of the Republic of Armenia No 596-N of 19 March 2015

Category V — *highest risk projects* include particularly dangerous and/or technically complex urban development projects, as well as those associated with the interests of two and more states, the design documents of which are subject to special complex expert review, and the terms of the development permits of which are prescribed for each individual case by the Decision of the Government of the Republic of Armenia.

Annex No 1 to Decision
of the Government of the Republic of Armenia No 596-N of 19 March 2015

II. DEVELOPMENT PROCEDURES

According to the legislation of the Republic of Armenia, powers for issuing permits necessary for the performance of development functions are decentralised and reserved to local self-government bodies (hereinafter referred to as “**the competent body**”).

Moreover, elaboration and expert review of urban development documents, construction of buildings (structures), technical inspection of the quality of construction, engineering survey and assessment of the technical condition of structures may be carried out as prescribed by the Law of the Republic of Armenia “On licensing” and by the following Decisions of the Government of the Republic of Armenia ensuring the implementation thereof: Decisions of the Government of the Republic of Armenia No 774-N of 2 July 2009, No 775-N of 2 July 2009, No 777-N of 2 July 2009, No 510-N of 7 April 2011 and No 596-N of 19 March 2015.

With a view to carrying out urban development activities prescribed by legislation:

1. in case of alienating **through public biddings** the land parcels that are state or community ownership and allocating them by the right of development, the architectural-planning assignment design (hereinafter referred to as “**the Assignment**”) shall be included:



- in the set of auction documents ***while alienating the land parcels through auctions;***
- in the tender specifications ***while allocating through tenders by the right of development.***

In the cases referred to above, the Assignment design shall be provided to the winner of the auction or the tender together with the contract signed in the prescribed manner.

2. ***In case of alienating by way of direct sale,*** the Assignment shall be appended to the decision on allocating the land parcel for development.

The development process shall be carried out in the following stages:

❖ **DESIGN PERMITS (OR ARCHITECTURAL-PLANNING ASSIGNMENT)**

With a view to obtaining a design permit (or architectural-planning assignment), the developer shall submit an application to the competent body, appending thereto the required documents, and shall obtain the design permit in the prescribed manner.

❖ **ELABORATION OF ARCHITECTURAL AND CONSTRUCTION DESIGN**

With a view to elaborating an architectural and construction design, the developer shall sign a contract with a design organisation having a licence for carrying out relevant activities.

❖ **EXPERT REVIEW OF THE DESIGN**

With a view to obtaining an expert review with regard to the design, the developer shall, in the cases and in the manner prescribed by legislation of the Republic of Armenia, sign a contract with an organisation having a licence for carrying out urban development expert review.

Moreover, depending on the level (category) of risk of a construction project, the expert review may be replaced with a warranty issued by the responsible contractor



producing the work.

❖ **CONSTRUCTION (DEMOLITION) PERMIT AND COORDINATION OF DESIGNS**

With a view to coordinating the design and obtaining a construction (demolition) permit at the same time, the developer shall submit an application to the competent body, appending thereto the required documents, and obtain, in the prescribed manner, coordination of designs and construction (demolition) permit.

❖ **CONSTRUCTION**

With a view to carrying out construction, the developer shall sign a contract with a licensed construction organisation (except for the cases where a licence for carrying out construction is not required by the Law of the Republic of Armenia “On licensing”).

With a view to carrying out technical inspection during construction, the developer shall sign a contract with a licensed professional organisation (except for the cases where a licence for carrying out technical inspection is not required by the Law of the Republic of Armenia “On licensing”).

❖ **CERTIFICATE OF COMPLETION (OR COMMISSIONING PERMIT)**

With a view to documenting the completed construction, the developer shall apply to the competent body to formulate the project commissioning permit or the documentation for the commissioning of the completed construction.

III. DESIGN PERMIT

The design permit or architectural-planning assignment (hereinafter referred to as “the Assignment”) shall prescribe the binding conditions, requirements and restrictions for the elaboration of the Design of an urban development project



(including not permanent), taking account of the requirements of spatial planning documents of the community.

The Assignment shall include historical and cultural heritage, urban development, environmental, sanitary and hygienic, fire prevention requirements, those for the protection of the population and groups with limited mobility and other regulatory requirements, the stages of elaboration of the Design, technical specifications for the Design and the validity period of the Assignment.

The terms prescribed by the Assignment shall be the basis for elaborating the design documents and shall be binding for all the participants of urban development activities.

With a view to obtaining the Assignment, the developer shall submit an application to the competent body (*Form 1-1 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015*), to which the following shall be appended:

- the plan for the land parcel under development, with proposed location of the project to be designed or modified, whereas in case of change of functional purpose of the construction, also the plan(s) thereof;
- the copy of the document confirming the right of ownership to the immovable property, or the right of the user to modify the immovable property.

The competent body shall, within a three-day period after receipt of the application, make inquiries to the supplying organisations (if the construction or reconstruction of the planned project, or the change of its functional purpose requires delivery of new services with regard to the engineering infrastructure of the project, or a change in service delivery) for obtaining the technical specifications for joining the engineering infrastructure networks, appending to the inquiry the documents submitted with the application.

The supplying organisations shall provide the technical specifications to the competent body within the following timeframes after receipt of the inquiry:



for **Category II** projects — within a five-day period;

for **Category III** projects — within a ten-day period;

for **Category IV** projects — within a fifteen-day period.

The Assignment shall be provided by the competent body (Form 1-2 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015) to the developer within the following timeframes after receipt of the application:

➤ ***in case it is necessary to obtain technical specifications from the supplying organisation:***

for **Category I** projects — not required;

for **Category II** projects — within a ten-day period;

for **Category III** projects — within a fifteen-day period;

for **Category IV** projects — within a twenty-day period.

➤ ***in case it is not necessary to obtain technical specifications from the supplying organisation:***

for **Category I** projects — not required;

for **Category II** projects — within a five-day period;

for **Category III** projects — within a ten-day period;

for **Category IV** projects — within a fifteen-day period;

for each individual case of **Category V** projects — within timeframes prescribed by the Government of the Republic of Armenia.

The Assignment and the technical specifications constituting the integral part thereof shall be provided free of charge.

The validity period of the Assignment may not exceed:



for **Category II** projects — one year;

for **Category III** projects — one and a half year;

for **Category IV** projects — two years;

for each individual case of **Category V** projects — within timeframes prescribed by the Government of the Republic of Armenia.

In case of expiry of the validity period of the Assignment, the latter shall be deemed terminated, and the developer shall bear the risk of the expenses incurred.

Assignment is not required:

- (1) while carrying out development with multi-use standard designs and the use of certified products in the field of urban development in areas having an approved zoning plan;
- (2) while carrying out works not requiring construction permit prescribed by List 1 of Annex No 4 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015;
- (3) when, for the following activities, the exterior, the parameters and the functional purpose, other seismic resilience, reliability and safety characteristics of the construction are left unchanged:

for internal reconstructions of **Category II** and **III** projects or individual parts thereof;

for internal reconstructions of residential or non-residential areas in **Category IV** multi-apartment residential buildings not deemed historical and cultural monuments, where it does not result in a change of areas considered as common property ownership of a multi-apartment or subdivided buildings;

- (4) while submitting an application for obtaining a new permit — in case of failure to



commence construction works within the expiry of half of the construction duration period starting from the day of issuing the construction (demolition) permit. In this case, the design documents shall be re-coordinated (re-approved) by the competent body as prescribed by Annex No 1 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015, by making a relevant mark (note) on the original design documents.

The procedure for issuing the Assignment through the use of an electronic system shall be carried out as prescribed by Annex No 3 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.

IV. ELABORATION OF ARCHITECTURAL AND CONSTRUCTION DESIGN DOCUMENTS

The architectural and construction design documents (hereinafter referred to as “***the Design***”) shall be elaborated in observance of the requirements prescribed by the Assignment.

With a view to elaborating the Design, the developer or the person authorised by him or her shall sign a design and exploration works contractor agreement with the design organisation having a licence for carrying out relevant activities (hereinafter referred to as “***the Designer***”).

The following shall be appended to the design works contractor agreement:

- Assignment issued in the prescribed manner (except for the cases where the Assignment is not required);
- technical specification drawn up by the developer (Forms 4-2 and 4-3 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015);
- in case of reconstructed, reinforced, restored projects, also the opinion issued



by persons licensed in the area of assessment of the technical conditions of buildings and structures on the technical condition thereof (Decision of the Government of the Republic of Armenia No 274-N of 19 March 2015);

- materials of geotechnical engineering.

Depending on the level (category) of risk of the project, the Design may be elaborated in one “Working design” stage or in two “Design” and “Working documents” stages.

The design documents for **Categories II and III** projects ***shall be elaborated in one stage***, whereas those for **Categories IV and V** projects — ***in two stages***.

The stages of the design elaboration shall be prescribed by the Assignment and the design works contractor agreement. The requirements for the composition and the content of the design shall be prescribed by a departmental act of the state authorised body in the field of urban development (Order of the Minister of Urban Development of the Republic of Armenia No 273-N of 29 November 2006).

The price for elaboration of urban development documents (programme and architectural and construction) shall be calculated by a departmental act of the state authorised body in the field of urban development (Order of the Minister of Urban Development of the Republic of Armenia No 19-N of 15 February 2008).

V. EXPERT REVIEW OF THE DESIGN

Expert review is mainly aimed at ensuring compliance of the Design with the binding requirements of the legislation and the standard technical documents of the Republic of Armenia.

After completion of the design work, the Design shall be submitted by the developer, the person authorised by him or her, or the contractor responsible for the design works for expert review (Annex No 2 to Decision of the Government of the Republic of



Armenia No 596-N of 19 March 2015).

Expert review may be conducted by:

- urban development expert review body having a licence for conducting an expert review of urban development documents in the field of urban development;
- in cases prescribed by law, the authorised state administration body in the field of urban development (hereinafter referred to as “***the authorised body***”) conducting state complex expert review of design documents;
- ad hoc expert review commission established by the Decision of the Government of the Republic of Armenia for conducting special complex expert review of **Category V** projects.

Expert review shall not be required for:

Category I project Designs;

Category II project Designs, the expert review of which may be replaced with the warranty issued by the contractor responsible for the design works.

Lists 1 and 2 of Annex No 4 to Decision of the Government of the Republic of Armenia
No 596-N of 19 March 2015

➤ ***Expert review shall be required for:***

Category III project Designs — ***simple expert review*** (for the reliability, stability and safety of architectural and construction, as well as external and internal engineering systems), which shall be conducted based on the contract signed between the client and the urban development expert review body.

Category IV project Designs, as well as urban development programme documents and Designs elaborated for experimental projects using new technologies — ***state complex expert review*** (including for ensuring the requirements for the state authorised bodies prescribed by law, as well as other environmental requirements,



those relating to preservation of historical and cultural monuments, emergency situations, communication systems, transport, energy and engineering).

Category V project Designs *shall also be subject to state complex expert review* for drawing up a special complex expert opinion by the ad hoc expert review commission.

Category V project Designs — *a special complex expert review* (in each individual case the expert review for the given project shall be conducted by the ad hoc expert review commission established by the Decision of the Government of the Republic of Armenia, unless otherwise provided for by the international treaty). The timeframes and the terms for *special complex expert review* shall be prescribed by the Government of the Republic of Armenia for each individual case.

The cost of expert review services, the mutual responsibilities of the client and the body *conducting expert review for violation of the timeframes* shall be prescribed by the contract.

The validity period of the positive expert review opinion or the warranty shall be three years, and after the expiry of this period the given opinion (warranty) shall be deemed repealed.

The expenses for mandatory expert review of the Design *of the projects carried out under the state order* shall be calculated based on the departmental act of the state authorised body in the field of urban development (*Order of the Minister of Urban Development of the Republic of Armenia No 41-N of 16 July 2008*).

VI. CONSTRUCTION (DEMOLITION) PERMIT AND DESIGN COORDINATION

Construction permit is a document which approves the developer's right to carry out certain construction works both on a land parcel provided for new development and in the existing buildings and structures.



Construction permit may not be required only for construction works of **Category I** projects prescribed by List 1 of Annex No 4 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.

For coordinating and obtaining a construction (demolition) permit at the same time, the developer (the client) shall apply to the competent body (Forms 2-1 and 2-2 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015), appending the following documents:

- the Design (in two copies);
- positive expert review opinion (or in cases prescribed by legislation, the warranty of the contractor issuing the Design);
- the receipt for payment of the state duty prescribed by law.

The Design shall not be coordinated, and the construction permit shall be rejected (notifying in writing of the grounds for rejection), where:

- the Assignment is not required;
- the Assignment is not compliant with the terms prescribed by the Assignment;
- the documents appended to the developer's application contain unreliable (incomplete) information, or the list of missing documents were not furnished in a five-day period offered by the competent body;
- the receipt for payment of the state duty has not been submitted;
- the Assignment has not been submitted after expiry of the validity period of the Assignment;
- the timeframe requested in the application for carrying out the new construction exceeds the timeframe provided for by the Design by more than 1.5 times.

The competent body shall coordinate the Design and issue a construction (demolition) permit at the same time (Forms 2-3 and 2-4 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015) within the



following timeframes upon receipt of the developer's application:

for **Category II** projects — within a five-day period, in case of multi-use standard designs or siting of certified designs — within a three-day period;

for **Category III** projects — within a ten-day period;

for **Category IV** projects — within a fifteen-day period;

for **Category V** projects — within a timeframe prescribed by the Government of the Republic of Armenia.

In case of elaborating the Design in two stages (“Design” and “Working documents”), the “Design” stage is considered as the coordination stage, based on which the competent body issues a construction permit with a relevant mark regarding succession of the works to be carried out.

In case public awareness with regard to the Design is necessary, the timeframes for the Design coordination shall be calculated, taking into account a fifteen-day period envisaged for public awareness.

Together with the construction permit, the developer shall also be provided with the site diary for construction stamped by the competent body.

The construction permit shall fix a timeframe for completion of construction:

- ***for newly built buildings, structures***, according to the requested timeframe, but no longer than 1.5 times of the period envisaged by the Design;
- ***for multi-apartment or subdivided buildings***, the construction permit shall also fix, at the developer's discretion, the timeframe for formulation of the commissioning permit;
- ***for reconstruction (including demolition), restoration, reinforcement and improvement of existing buildings and structures***, within the timeframe calculated based on the norms of construction (demolition or dismantlement)



duration fixed by the Design for the given project.

Where the construction of the newly built projects is impossible to carry out without demolition of the building (structure) located on the given land parcel, the construction permit, with a relevant note, shall be also a demolition (or dismantlement) permit.

In case of failure to commence construction works within the expiry of half of the construction duration period starting from the day of issuing the construction permit, the developer may apply to the competent body to receive additional information regarding possible changes to development conditions, re-coordinate the Design, amended as a result of changes made thereto, with the competent body and obtain a new permit.

Where there is no need to make any changes in the development and technical specifications but the three-year validity period prescribed for the positive expert review opinion or the warranty has expired, the developer shall ensure carrying out of a new expert review of the previously re-coordinated Design or issuance of a new warranty and apply to the competent body by appending to the application the receipt for payment of the local duty required for the new permit and the original Design with a view to re-coordinating it within the prescribed periods.

The re-coordination of the Design shall be carried out by the competent body by making a relevant mark (note) on the original and previously coordinated Design. In the section “Other specifications” of the newly issued construction permit, a note shall be made on repealing the previous construction permit issued to the developer.

As a result of failure to commence construction works and in the event the developer fails to submit an application, the construction permit shall be repealed on the initiative of the competent body, notifying the developer and the State Committee of the Real Estate Cadastre adjunct to the Government of the Republic of Armenia within a three-day period with a view to registering termination of the registered rights of the



developer over the structure under construction.

The duties prescribed by law for construction or demolition permits shall be paid simultaneously.

The amount of local duty shall be prescribed by law and the decision of a community council.

Law of the Republic of Armenia on “Local self-governance in the city of Yerevan”

Law of the Republic of Armenia “On local duties and fees”

Decisions of Yerevan Council of Elders

If the demolition of the project does not presuppose construction of a new project and no construction permit is required for implementation of the successive works, or it is impossible to conduct engineering surveys of the land parcel under development without demolition works, the developer shall submit an application to the competent body for obtaining a demolition permit (*Form 2-2 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015*). The developer shall be obliged to pay — in the manner prescribed by law — the duty for the demolition permit prescribed by law and carry out the demolition in compliance with the Design coordinated in a prescribed manner.

The demolition (dismantlement) permit shall be issued or rejected by the competent body after receipt of the developer’s application for obtaining demolition permit.

for **Category II** projects — within a five-day period;

for **Category III** projects — within a ten-day period;

for **Category IV** projects — within a fifteen-day period.

The procedure for issuing demolition (dismantlement) permits shall be implemented in



compliance with the requirements prescribed by Annex No 1 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015 for the level of risk (category) of the project subject to demolition.

The competent body shall, within a three-day period, submit the copies of the construction (demolition or dismantlement) permits to the State Urban Development Inspectorate and respective territorial inspectorate of the Tax Service of the Republic of Armenia. The competent body shall also, within the same period, inform the respective marzpets (governors of the regions) (except those of the city of Yerevan) about the issued permit.

The procedure for issuing construction (demolition) permit through the use of an electronic system shall be carried out as prescribed by Annex No 3 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.

(Annexes No 1, No 3, No 4, No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.

VII. RAISING PUBLIC AWARENESS

The competent body shall, in cases prescribed by legislation, inform the public about the envisaged changes to be made in the living environment of the administrative territories.

Awareness-raising shall be carried out through:

- mass media (including electronic) (local and republican radio, television, newspaper);
- presentations of programmes and projects, publications and posts on the websites of local self-government bodies;
- public discussions.



The period prescribed for the publication and presentation of urban development programmes and Designs shall be fifteen days.

If there is an approved zoning plan for the area to be designed, which has passed the procedures for raising public awareness in the prescribed manner, it is no longer necessary to raise public awareness for **Categories II and III** projects.

Public awareness about the architectural and construction design of urban development projects of **Categories IV and V**, which are subject to environmental expert review, shall be raised within the framework of the procedures prescribed by law and other legal acts for environmental impact expert review.

In other cases, the competent body shall be obliged to inform the public about the urban development programmes and Designs submitted for its coordination within a three-day period after receipt thereof, mentioning the conditions for getting acquainted with the aforementioned documents, namely the place and time of their publication, presentation and public discussion.

Within a three-day period after studying and analysing the observations and recommendations, the competent body shall — with the participation of public representatives (authors of observations and recommendations) — adopt a relevant decision on coordination of the urban development programme (or Design), returning it for amendment or rejecting it.

Decision of the Government of the Republic of Armenia No 660 of 28 October 1998

VIII. CONSTRUCTION

❖ ***CARRYING OUT CONSTRUCTION WORKS***

Construction of urban development projects shall be carried out based on the contract signed between the developer and licensed construction organisation, except for the cases where technical inspection and a licence for carrying out



construction is not required by the Law of the Republic of Armenia “On licensing”.

Any construction and parallel work based on the construction (demolition) permit can be carried out exclusively in compliance with the coordinated and approved Design, requirements of standard technical documents and the legislation of the Republic of Armenia.

Prior to commencement of construction, as well as during construction, the developer shall be obliged, in the manner prescribed by law, to come to an agreement with the entities incurring losses as a result of the development or demolition.

The developer shall, at least three days prior to commencement of construction (demolition) works, notify the competent body, which shall notify the State Urban Development Inspectorate thereon, by appending the copy of the statement of information submitted by the developer (Form 2-5 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015), within a three-day period and, in case of notifying about data changes made to the construction permit and/or statement of information prescribed by Form No 2-5 — within a five-day period.

In case of state registration pursuant to the Law of the Republic of Armenia “On state registration of property rights”, the transfer of rights and obligations of the developer prescribed with respect to the land parcel (part of the land parcel) and the building (structure) under construction to another person completely or with regard to individual property units, the construction (demolition) permit and the conditions prescribed thereby shall retain in full for the new developer (co-developer).

The time periods prescribed by the construction permit for the new developer having acquired the rights and responsibilities of the developer, shall be subject to extension in accordance with the time periods calculated based on the construction norms for carrying out residual works.

In the event of failure to complete the development within the time periods



prescribed by the construction permit (except for development carried out in rural settlements and individual residential houses), the competent body shall warn the developer in writing about extension of the time period prescribed by the construction permit and completion of development within that period or alienation of the urban development activity project belonging to him or her by the ownership right, as well as impose administrative liability in the manner prescribed by law.

If within a one-month period after receipt of the warning the developer fails to submit to the competent body an application on extending the construction period, or fails to complete the development within the new period prescribed by the construction permit or alienates the project belonging to him or her by the ownership right, the competent body shall, in the manner prescribed by the legislation, again subject him or her to administrative liability and apply to court claiming to sell the given project according to the procedure and at the price prescribed by court (*but no less than in the amount of 75 percent of the cadastre value of the project*).

In case of failure to commence construction works, the construction permit shall be repealed on the initiative of the competent body, by notifying the developer and the State Committee of the Real Estate Cadastre adjunct to the Government of the Republic of Armenia within a three-day period for the purpose of registering termination of the registered rights of the developer over the structure under construction.

❖ **TECHNICAL INSPECTION OF CONSTRUCTION PROJECTS**

Technical inspection of the quality of construction of urban development projects and engineering surveys shall be conducted during the whole period of construction based on the contract signed between the developer and a professional organisation having a licence for carrying out relevant activities.

Technical inspection of **Category II** projects (*except for the cases where a licence for carrying out technical inspection is not required by the Law of the Republic of*



Armenia “On licensing”) can be replaced with a warranty issued by the licensed construction organisation on the condition of satisfying all the requirements prescribed by Decisions No 775-N of the Government of the Republic of Armenia of 2 July 2009 and No 777-N of 2 July 2009.

State inspection of the urban development activities shall be conducted by the State Urban Development Inspectorate of the staff of the State Urban Development Committee adjunct to the Government of the Republic of Armenia through risk-based inspections as prescribed by the law and Decision of the Government of the Republic of Armenia No 55-N of 16 January 2014.

Law of the Republic of Armenia “On licensing”

Decision of the Government of the Republic of Armenia No 774-N of 2 July 2009

IX. FORMULATION OF THE CERTIFICATE OF COMPLETION (COMMISSIONING PERMIT OR DOCUMENTATION OF THE COMMISSIONING OF THE COMPLETED CONSTRUCTION)

Completion of the construction works of the project and acceptance for commissioning thereof shall be documented by a certificate of completion (commissioning permit) (Form 3-1 of Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015) after all the construction and mounting works requiring a construction permit are carried out and after the construction organisation in charge hands them to the developer and the developer accepts them.

The certificate of completion shall serve as a ground for registering the rights to the completed project and individual units within the composition thereof.

The certificate of completion (commissioning permit) shall be issued by the head of a community.

The result of the work on **Category V** projects carried out pursuant to a construction



work contract shall be accepted by the acceptance commission established by the Decision of the Government of the Republic of Armenia, unless otherwise provided for by an international treaty of the Republic of Armenia.

Conformity of the completed project with the Design and standard technical documents shall be approved **by the acceptance commission** (Form 3-2-1 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015) and substantiated **by an execution document** or positive opinions on the technical condition of the project.

The forms and composition of the execution documents shall be prescribed by a departmental act of the state authorised body in the field of urban development.

The package of execution documents is drawn up by the contractor with the participation of the persons carrying out technical inspection or in cases provided for by the contract — copyright supervision.

In case of unavailability of the package of execution documents or a part thereof, the contractor shall be obliged to restore them at his or her own expense by carrying out necessary technical expert reviews or tests.

If the technical inspection has been replaced with the warranty issued by the contractor organisation carrying out construction works, the functions reserved to technical inspection shall be carried out by the contractor organisation.

The acceptance commission shall be formed and headed by the developer, except for **Category V** projects the composition of acceptance committee whereof shall be formed upon the decision of the Government of the Republic of Armenia.

The work of the commission shall be carried out at the expense of the developer.

Representatives of the developer, contractor, persons carrying out technical inspection and — in cases provided for by law or contract — copyright supervision, representatives of the relevant territorial divisions of the State Urban Development



Inspectorate, supplying organisations, as well as of other state bodies **concerned**, which have relevant supervision powers, and the competent body shall be involved ***in the composition of the acceptance commission.***

In cases of **Category II** projects, the representative of the relevant territorial division of the State Urban Development Inspectorate shall be involved in the acceptance commission, except for the projects built for non-entrepreneurial purposes provided for by the Law of the Republic of Armenia “On licensing”.

Pursuant to the legislation of the Republic of Armenia, in case of **Category IV and V** projects, specialists in the relevant field from the Ministry of Emergency Situations of the Republic of Armenia shall also be involved in the composition of the commission.

The representatives of the Ministry of Finance of the Republic of Armenia (in cases of exceeding the 250-fold of the procurement base unit) and the relevant marzpetaran (regional governor’s office) ***shall be involved in the composition of the commission accepting the construction projects built at the expense of the State Budget of the Republic of Armenia.***

After being informed by the contractor (state office implementing the programme on the account of the state budget funds of the Republic of Armenia or with the involvement thereof) about completion of the construction (before commencing the activities of the acceptance commission), the developer shall apply to the state bodies concerned and the competent body with the proposal to get involved in the activities of the commission and obtain the candidacy of the relevant representative within a five-day period.

The act of the acceptance commission shall be signed and sealed (if the seal is available) by all commission members. In case of not signing the act, the member of the acceptance commission shall submit the observations (with regard to shortcomings) made within his or her competence to the chairperson of the commission. In the event of failure to eliminate the mentioned shortcomings within the



time period prescribed by the construction work contract, the project shall be considered not accepted by the commission.

The territorial division and the bodies concerned shall, within the competencies reserved to them by the legislation of the Republic of Armenia, ***deliver an opinion*** by signing the act of the acceptance commission after receipt of the application.

For **Category II and III** projects — within a three-day period;

for **Category IV and V** projects — within a five-day period.

The received opinions shall serve as a ground for the supplying organisations to sign relevant service contracts.

Acceptance of the completion of individual buildings and structures included in the construction complex may be formulated — on the request of the developer — upon completion of the construction thereof. The certificate of completion formulated in winter months (by the commissioning permit) may provide for a condition on carrying out improvement works, not requiring a construction permit, in the months of spring and summer.

With a view to documenting the commissioning of the completed construction, the developer shall, within a ten-day period after having the act signed by the acceptance commission, apply (*Form 3-3-1 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015*) to the competent body, appending the following thereto:

- act of the acceptance commission;
- list of execution documents or the positive opinion issued after the relevant technical survey conducted with regard to the fact that the structures are subject to commissioning.
- receipts for payment of the fees, in the manner prescribed by the Law of the



Republic of Armenia “On local duties and fees”, for issuing the certificate of completion and the commissioning permit.

The competent body shall, based on the submitted documents, ***issue the certificate of completion (commissioning permit)*** after receipt of the application:

for **Category II and III** projects — within a three-day period;

for **Category IV and V** projects — within a 5-day period.

The amount of the duty for issuing the certificate of completion and the commissioning permit shall be prescribed by law and the decision of the community council.

Law of the Republic of Armenia “On local duties and fees”

Law of the Republic of Armenia on “Local self-governance in the city of Yerevan”

Decisions of Yerevan Council of Elders

The procedure for issuing the certificate of completion and the commissioning permit through the use of an electronic system shall be carried out as prescribed *by Annexes No 1 and 3 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.*

PECULIARITIES OF FORMULATING THE CERTIFICATE OF COMPLETION AND THE COMMISSIONING PERMIT OF MULTI-APARTMENT (OR SUBDIVIDED) BUILDINGS

❖ FORMULATION OF CERTIFICATE OF COMPLETION

Completion of the construction works of multi-apartment buildings under construction (including those which are reconstructed, restored, reinforced, modernised and expanded)



shall, at the developer's discretion, be documented **by a certificate of completion** (Form 3-2 of Annex No 5 to Decision of the Republic of Armenia No 596-N of 19 March 2015), after all the construction and mounting works provided for by the Design and requiring a construction permit are carried out and after the contractor in charge hands the completed construction project to the developer and the developer accepts it.

The process of formulation of the certificate of completion of a multi-apartment (or subdivided) building shall be carried out in compliance with the requirements prescribed by Annex No 1 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.

The certificate of completion (commissioning permit) shall, in the territory of the community, be issued by the head of the community.

The acceptance commission accepting completion of the construction works of a multi-apartment (subdivided) building shall be formed and headed by the developer (Form 3-2-2 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015).

In case the multi-apartment building has no registration of construction completion and the subdivided units thereof are registered by separate certificates as incomplete structures with completion below 100%, the process of formulating the certificate of completion reserved to the developer shall be carried out by an organisation chosen by the owners or the management body of another multi-apartment building within the community authorised by the head of the community, at the expense of the owners.

Regardless of the risk level of a multi-apartment (or subdivided) building, representatives of the developer, contractor, persons carrying out technical inspection and — in cases provided for by law or the contract — copyright supervision, representatives of the relevant territorial division of the State Urban Development Inspectorate and specialists in the relevant field from the Ministry of Emergency Situations of the Republic of Armenia, as well as representatives of other state bodies



concerned, which have relevant supervision powers prescribed by law, and the competent body ***shall be involved in the composition of the acceptance commission.***

The territorial division of the State Urban Development Inspectorate and the bodies concerned shall deliver an opinion, signing the act of the acceptance commission within a ten-day period after receipt of the application.

With a view to formulating the certificate of completion of the project, the developer shall, within a ten-day period after having the act of the acceptance commission signed, and in accordance with *Form 3-3-2 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015,* apply to the competent body for formulation of the certificate of completion.

The following shall be appended to the application:

- act of the acceptance commission;
- list of execution documents or the positive opinion issued after the relevant technical survey conducted with regard to the fact that the structures are subject to commissioning;
- receipt for payment of the fee for issuing the certificate of completion.

The competent body shall, based on the submitted documents, issue the certificate of completion within a five-day period.

The procedure for issuing the certificate of completion of the multi-apartment (or subdivided) building through the use of an electronic system shall be carried out in the manner prescribed *by Annexes No 1 and 3 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.*

- ***ISSUANCE OF THE COMMISSIONING PERMIT OF MULTI-APARTMENT (OR SUBDIVIDED) BUILDINGS***



The documentation on the construction commissioning of a multi-apartment (or subdivided) building shall be formulated by means of a commissioning permit (*Form 3-3 of Annex No 5 to Decision of the Government of the Republic of Armenia N 596-N of 19 March 2015*) after completion of the mounting and commissioning works of the engineering infrastructures and engineering-technological equipment, interior finishing works of common premises inside the building, landscaping and improvement of the territory provided for by the Design of the project.

Moreover, the commissioning permit for each separate multi-apartment (or subdivided) building included in the construction complex shall be formulated — upon the request of the developer — upon completion of the relevant works.

Conformity of the completed construction project with the Design and the binding requirements of the standard technical documents shall be assessed by positive opinions of the supplying organisations, as well as of the organisations having conducted the testing of mounting and commissioning works of the engineering-technological equipment.

Moreover, the provisions — prescribed by this procedure — concerning the supplying organisations shall apply within the scope of competences reserved to these organisations by law.

Supplying organisations shall, within a fifteen-day period after receipt of the developer's application, **be obliged** to provide relevant expert review opinions on the engineering infrastructures being mounted and commissioned.

Positive opinions provided by the supplying organisations shall be a ground for these organisations to sign relevant service contracts.

Packages of opinions and relevant testing activities shall be drawn up by the developer.

The functions of the developer envisaged for obtaining a commissioning permit for



multi-apartment (or subdivided) buildings consisting of apartments or non-residential areas registered under separate certificates as objects of right of ownership may also be performed by the organisation (or the management body of the building) chosen by owners at their expenses.

Incomplete construction works with regard to interior finishing works of apartments or non-residential areas of the building shall not be a ground for refusing to issue a commissioning permit.

Moreover, interior finishing works, landscaping of common premises, installation of post subscription lockers, as well as mounting and commissioning works of engineering-technological equipment must be necessarily fully completed.

With a view to documenting the commissioning of the completed construction of a multi-apartment building (or subdivided building), the developer shall apply to the competent body (*Form 3-3-3 of Annex No 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015*).

The following shall be appended to the application:

- positive expert review opinions of the supplying organisations;
- positive opinions of the organisations having conducted testing of mounting and commissioning works of engineering-technological equipment;
- written statement of the developer or his or her legal successor on the readiness of the construction project for commissioning;
- receipt confirming payment of the local duty for formulation of the commissioning permit, as prescribed by law.

In case of meeting the requirements set forth by the competent body, the commissioning permit shall be issued within a three-day period following the day of submission of a second application by the developer.

The commissioning permit for the multi-apartment or subdivided building shall be a



ground for terminating the fixed restriction of the right to the commissioning of the built project.

The procedure for documenting the commissioning of the completed construction of the multi-apartment (or subdivided building) via an electronic system shall be carried out as prescribed by Annexes No 1 and 3 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015.



X. PROCESS OF DEVELOPMENT IN CASE OF APPLYING MULTI-USE STANDARD DESIGNS IN THE REPUBLIC OF ARMENIA

Multi-use (double-use) standard designs (hereinafter referred to as “***the standard designs***”) shall be architectural and construction designs of public and industrial purpose projects (hereinafter referred to as “***the project***”), which have been elaborated as prescribed by the legislation and received a positive expert review opinion, as well as approved and applied by the Order of the Minister of Urban Development of the Republic of Armenia (Order No 111 of 5 June 2012, Order No 394 of 23 December 2013 and Order No 229 of 29 August 2014).

The procedure for applying compiled catalogues of standard designs and advertising directories of these designs (hereinafter referred to as “***the Catalogues***”) (including via the system of issuing electronic urban development permits) shall be prescribed by Decision of the Government of the Republic of Armenia No 814-N of 7 June 2012

It is possible to draw up, along with the catalogues, ***a manual*** on the process of carrying out construction activity, providing practical consultations in the form of texts and images.

Standard designs of the projects included in the catalogues shall be used by a developer on a voluntary basis; they are provided free of charge.

With a view to carrying out development on the basis of standard designs, the developer shall choose from the catalogues posted on the website of the State Urban Development Committee adjunct to the Government of the Republic of Armenia (www.minurban.am) the relevant project and its design documents and apply to the competent body:

- ***in the areas not having an approved zoning plan*** — with a request to obtain an Assignment in the prescribed manner;



- ***in the areas having an approved zoning plan*** — with an application to specify the location plan for the chosen project on the land parcel under development and to obtain the technical specifications for supplying the engineering infrastructures of the project (*Form 1 of Decision of the Government of the Republic of Armenia No 814-N of 7 June 2012*), mentioning the type of the project chosen from the catalogue and other information as prescribed by the form.

The following shall be appended to the application:

- the code and the plan for the land parcel under development, along with the materials for development;
- the copy of the document certifying the right of ownership to the land parcel envisaged for building the chosen project, or the right of the user to modify the immovable property, as well as information on structures, including unauthorised structures (if available) located on the land parcel;
- the recommendation on locating the chosen project on the land parcel (location plan) under development.

With a view to carrying out development on the basis of standard designs in the areas having an approved zoning project, an Assignment is not required.

The competent body shall, within two days following the day of receipt of the developer's application, ***send inquiries to the supplying organisations*** to obtain the technical specifications for the project, appending the following documents:

- the code and the plan for the land parcel under development, along with the materials for land use (development);
- the copy of the document certifying the right of ownership to the designated and functional purpose of the land parcel envisaged for building the chosen project, or the right of the user to modify the immovable property, as well as information



on structures, including unauthorised structures (if available) located on the land parcel.

The supplying organisations shall provide the competent body with the technical specifications within a five-day period following the day of receipt of the inquiries of the competent body.

The competent body shall specify the location plan (if it is necessary to bring the location of the project in conformity with the legislation and the standard technical requirements), append the technical specifications obtained from the supplying organisations and provide them to the developer (*Form 2 of Decision of the Government of the Republic of Armenia No 814-N of 7 June 2012*).

Moreover, based on the urban development condition of the settlement, the location of the area under development and the peculiarities of the architectural environment, the competent body may propose changes in the facade solutions and the finishing materials that do not distort the structural system of the project.

The construction permit for the project shall be issued by the competent body within a three-day period, as prescribed by the legislation of the Republic of Armenia.

The following shall be a ground for issuing a construction permit:

- the project siting layout drawn up at the expense of the developer's funds (*siting layouts are developed in accordance with the requirements prescribed by the legislation for the category of the project being sited*);
- the warranty — issued in the prescribed manner — of the contractor issuing the siting layout (*or in cases prescribed by the legislation of the Republic of Armenia — the expert review opinion*);
- the receipt for payment of the local duty prescribed by law for the construction permit.

The developer shall be obliged to carry out construction in accordance with the



approved Design, the legislation of the Republic of Armenia and the requirements of the standard technical documents, as well as the provisions prescribed by the Law of the Republic of Armenia “On licensing” (subpoints 2 and 3 of point 17 of part 2 of Article 43 of the Law).

The developer may, in the planning concepts approved by the Design of the project chosen by him, make changes in the works that do not require a construction permit prescribed by the legislation of the Republic of Armenia, as well as changes in the installation of partitions, on the strict condition that structural system of the project will not be distorted.

In case of making certain changes in the part concerning the structure in the Design for changes envisaged in the space-planning decisions of the project, the proposal for changes, in the form of a sketch, shall be appended to the application being submitted to the competent body for obtaining the Assignment or the technical specifications (Form 1-1 of Annex 5 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015) In this case, changes being made in the approved standard design are also elaborated along with the siting layout.

The commissioning of the project construction shall be documented as prescribed by the legislation of the Republic of Armenia. Moreover, ***the commissioning certificate for the completed construction shall be a ground*** for registering the property rights to the built project.

The procedure for documenting the commissioning of the completed construction of multi-use projects via an electronic system shall be implemented as prescribed by Annexes No 1 and 3 to Decision of the Government of the Republic of Armenia No 596-N of 19 March 2015 and Decision of the Government of the Republic of Armenia No 814-N of 7 June 2012.