

CENTRAL BANK OF THE REPUBLIC OF ARMENIA

CHARTER¹

CHAPTER 1. GENERAL PROVISIONS

1. The Central Bank of the Republic of Armenia (hereinafter Central Bank) is a legal entity, the sole founder of which is the Republic of Armenia.
2. The Central Bank conducts its activity pursuant to the Republic of Armenia constitution, laws, other regulations and this Charter.
3. The head-office of the Central Bank is located in Yerevan, Armenia, at Vazgen Sargsyan Street, 6.
4. The Central Bank, its branches and representative offices have seals carrying the Coat of Arms of the Republic of Armenia and their respective names.
5. Objectives of the Central Bank are determined in the Republic of Armenia Law on Central Bank, Article 5.

CHAPTER 2. LEGAL ACTS ADOPTED BY THE CENTRAL BANK

6. The Board of the Central Bank can adopt normative and individual legal acts.
7. The normative and individual legal acts of the Central Bank are published and take effect as established by law.
8. The Chairman of the Central Bank is mandated to make individual decisions and instructions, and to adopt internal regulations of the Central Bank when acting on behalf of the Bank.

CHAPTER 3. FUNCTIONAL DUTIES OF BOARD MEMBERS OF THE CENTRAL BANK

9. The distribution of duties among the members of the Board of the Central Bank is carried out by the Board of the Central Bank, upon recommendation of the Chairman of the Central Bank.
10. A member of the Board coordinates a specific area of activities of the Central Bank authorized to him/her, and is responsible for performance of duties imposed by the Board of the Central Bank.

CHAPTER 4. BOARD MEMBER RELATIONSHIP WITH STRUCTURAL UNITS

11. In implementation of official duties, a member of the Board may get clarifications from the heads of structural units on the subject matter, inviting consultations, if needed.

¹ *Adopted by the Board of the Central Bank of Armenia on June 2, 2003. Changes and additions adopted by the Central Bank Board Resolutions No 99-N 03.03.05, No 439-N 30.08.05, No 44-N 05.03.13 have been considered.*

12. The heads of structural units of the Central Bank or specialists authorized by them take part in such consultations and deliver professional support to Board members in performing their official duties.

CHAPTER 5. STRUCTURAL UNITS OF THE CENTRAL BANK

13. The structural units of the head-office of the Central Bank are its internal structural departments. These are:

- a) Audit Group;
 - b) Departments;
 - c) Press service;
 - d) Centers;
 - e) *(annulled according to Resolution No 44-N 05.03.13);*
 - f) Financial Monitoring Center.
- (amended according to Resolutions No 99-N 03.03.05, No 44-N 05.03.13)*

CHAPTER 6. ACTIVITY AND GOVERNANCE OF STRUCTURAL UNITS OF THE HEAD-OFFICE

14. The activities of structural units of the head-office of the Central Bank are governed by:

- a) Audit Group – Chief Auditor;
 - b) Departments – Head of Department and/or Deputy Department Head, and in case of the Legal Department – Head of Department and General Counsel;
 - c) Press Service – Press Secretary;
 - d) Center – Head of Center;
 - e) *(annulled according to Resolution No 44-N 05.03.13),*
 - f) Financial Monitoring Center – Head of Center;
- (amended according to Resolutions No 99-N 03.03.05, No 44-N 05.03.13)*

15. The structural units of the Central Bank carry out their activities in compliance with the annual work plan of the unit, which is approved by the Chairman of the Central Bank. Each head of the unit is responsible for fulfillment of objectives provided for in the by-laws of the given unit.

CHAPTER 7. PERMANENT AND TEMPORARY COMMITTEES OF THE CENTRAL BANK

16. Permanent and temporary committees may be established at the Central Bank by the Chairman of the Central Bank for discussion of specific issues.

17. Permanent committees of the Central Bank are the committees established by Chairman of the Central Bank and designed to function on a constant basis (indefinitely) and contribute to the implementation of the Central Bank objectives.

18. The work of temporary committees of the Central Bank is of temporary nature and depends on the necessity of implementation of certain activities. On completion of such activities the work of these committees is ceased.

CHAPTER 8. TERRITORIAL SUBDIVISIONS OF THE CENTRAL BANK

19. The territorial subdivisions of the Central Bank are its branches and representative offices.
20. The Central Bank may, upon a Central Bank Board decision, establish branches and representative offices, holding no corporate status, in the Republic of Armenia.
21. A branch of the Central Bank is a separate subdivision, holding no corporate status, outside the location of the Central Bank, which acts on behalf of and within authority given by the Central Bank.
22. A branch of the Central Bank has its charter which is approved by the Board of the Central Bank. The charter sets out:
- a) name of the branch,
 - b) location of the branch,
 - c) authority and responsibilities of the management of the branch,
 - d) authority of the branch, including operations it carries out,
 - e) other provisions relevant to the activities of the branch.
23. A representative office of the Central Bank is a separate subdivision, holding no corporate status, outside the location of the Central Bank. It represents the Central Bank. It makes a survey of the financial market and carries out other functions as established by its charter.
24. The charter of the representative office is approved by the Board of the Central Bank. The charter sets out:
- a) name of the representative office,
 - b) location of the representative office,
 - c) authority and responsibilities of the management of the representative office,
 - d) authority of the representative office,
 - e) other provisions relevant to the activities of the representative office.
25. The territorial subdivisions of the Central Bank shall be liquidated upon a resolution adopted by the Board of the Central Bank.

CHAPTER 9. REGIONAL CASH CENTERS OF THE CENTRAL BANK

26. Regional cash centers of the Central Bank are cash departments located anywhere in the Republic of Armenia. These centers perform all cash operations of the Central Bank in the given region. The purpose of operation of these centers includes regulation of cash circulation in the Republic of Armenia, withdrawal of worn-out money, raise of efficiency and safety of transportation of cash money in the regions, raise of efficiency of cash service by banks and their branches functioning in the republic, and excluding of the facing transportation of cash money.
27. The conditions for implementing cash operations in regional cash centers of the Central Bank are established under law and legal acts of the Central Bank.

CHAPTER 10. DRAFTING REGULATIONS OF THE CENTRAL BANK

28. The drafting of regulations of the Board of the Central Bank is carried out by responsible or initiator structural unit (hereinafter initiator unit).
29. An initiator unit shall submit the draft Board decision of the Central Bank to the departments concerned, in order to make it agreed upon.

30. Once the consent of the departments concerned is sought, the draft decision shall be submitted to the Legal Department of the Central Bank to get legal-expert's conclusion.

31. The Legal Department of the Central Bank shall issue a legal-expert's conclusion on the draft decision, which is to be signed by the Head of the Legal Department of the Central Bank.

32. The draft decision along with the legal-expert's conclusion shall be sent back to the initiator unit and presented to the Administration of the Central Bank (hereinafter – the Administration) within the timing established under the regulation of work of the Board of the Central Bank.

33. After having received the draft decision the Administration shall include it in the agenda of the meeting of the Board of the Central Bank and submit it to the soonest Board meeting for review, as established under the regulation of work of the Board of the Central Bank.

34. The Board of the Central Bank shall review the draft regulatory decision in compliance with the requirements of the regulation of work of the Board of the Central Bank.

35. Once the decision is adopted by Board of the Central Bank the Administration shall, along with an initiator unit, draw up the draft decision in a one-day period and present it to the Chairman, Deputy Chairman and members of the Board of the Central Bank for signing.
(amended according to Resolution No 439-N 30.08.05)

CHAPTER 11. SENDING THE ADOPTED DECISION FOR STATE REGISTRATION

36. After having received the draft regulatory decision the Administration shall immediately send it to the Legal Department of the Central Bank.

The Legal Department shall in a one-day period prepare a letter on presenting the regulatory decision of the Central Bank to be delivered to the Ministry of Justice of Armenia for state registration, and it shall be submitted to the Chairman of the Central Bank for signing.
(amended according to Resolution No 439-N 30.08.05)

37. The Legal Department of the Central Bank shall, in a one-day period after signing of the letter as provided for in paragraph 36 hereinabove, deliver the decision of the Board of the Central Bank along with a support letter to the Ministry of Justice of Armenia for state registration.
(amended according to Resolution No 439-N 30.08.05)

38. The decision registered by the Ministry of Justice shall be kept with the Administration.

39. The Legal Department of the Central Bank shall notify the Administration in writing about official publication of each decision that has received state registration in the regular issue of the *Bulletin of Normative Regulations of the Republic of Armenia*.

40. Administration shall, in a one-day period after receiving the Legal Department's notification, notify the heads of units of the Central Bank, other banks and other parties concerned about the publication of the decision.

41. The decision of the Ministry of Justice of Armenia on suspension of state registration shall be addressed to the Legal Department after being registered as incoming correspondence at the Central Bank.

42. After having received the decision on suspension of state registration the Legal Department of the Central Bank shall, together with the initiator unit, submit the given issue to the Board of the Central Bank for review and draw up the draft of the decision of the Board of the Central Bank on admitting, not admitting or partly admitting the Ministry of Justice's decision on suspension.

43. After having adopted the decision on admitting, not admitting or partly admitting the Ministry of Justice's decision on suspension by the Board of the Central Bank, the Legal Department shall again prepare a package on reasons of not admitting or partly admitting the suspension to registration.

(amended according to Resolution No 439-N 30.08.05)

44. After having adopted the relevant decision by Board of the Central Bank the Legal Department shall deliver the Board's decision on admitting, not admitting or partly admitting to the Ministry shall sent to the Ministry of Justice the decision of the Board of the Central Bank on admitting, not admitting or partly admitting the Ministry of Justice's decision on suspension, and shall monitor the process and timing of implementation of these documents.

(amended according to Resolution No 439-N 30.08.05)

CHAPTER 11. EXAMINATION OF BANKNOTES

(Chapter 11 is amended according to Resolution No 44-N 05.03.13)

45. The Central Bank carries out the examination of damaged, suspicious and counterfeit banknotes and coins and gives an expert opinion based on the result of examination.

46. In the light of examination of banknotes the Central Bank conducts the following:

a) carries out the examination of damaged, suspicious and counterfeit banknotes and coins and gives an expert opinion;

b) cooperates with law enforcement authorities in the fight against counterfeiting, proving operational data about counterfeit banknotes and coins