

“Registered”

By the Ministry of Justice of the RA
on September 05, 2014
State Registration Number 05014406

**THE CENTRAL BANK OF ARMENIA
BOARD RESOLUTION**

**Number 190-N
15.07.2014**

On making amendments in the Resolution of the Board of the Central Bank of the Republic of Armenia number 145-N of 12 April 2005¹

Intending to optimize the procedures, related to licensing, registration and giving consent to banks,

Pursuant to Articles 18, 22, 23, 33.1 and 41 of the Law of the Republic of Armenia “On banks and banking”, Article 22(2) of the Law of the Republic of Armenia on “Anti-Money Laundering and Combating the Financing of Terrorism”,

In conformity with the provisions of Article 20 of the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”, Articles 16 and 70(1) of the Law of the Republic of Armenia “On Legal Acts”, the Board of the Central Bank of the Republic of Armenia

decides:

1. to approve by a new edition the Regulation 1 “On Registration and Licensing of Banks and Branches of Foreign Banks, Registration of Banks’ Branches and Representative Offices, Qualification and Registration of the Managers of Banks and Branches of Foreign Banks” (hereinafter, Regulation 1), approved by the Decision number 145-N of 12 April 2005 of the Board of the Central Bank of the Republic of Armenia “On Approval of Regulation 1 “On Registration and Licensing of Banks and Branches of Foreign Banks, Registration of Banks’ Branches and Representative Offices, Qualification and Registration of the Managers of Banks and Branches of Foreign Banks”” (hereinafter, Decision), in conformity with the Appendix of this Decision (attached).

2. to edit the title of the Decision by the following edition:

“On Approval of Regulation 1 “On Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks””.

3. This Resolution shall come into force on the tenth day after its official publication.

**Chairman of the Central Bank
of the Republic of Armenia**

A.Javadyan

**July 24, 2014
Yerevan**

¹ This Regulation includes the amendments and supplements and all other changes endorsed under the following Resolutions of the Board of the Central Bank:

No. 281-N, dated 07.10.2014; No. 351-N, dated 16.12.2014; No. 257-N, dated 15.12.2015; No. 167-N, dated 14.10.2016; No. 239-N, dated 20.12.2016; No. 30-N, dated 03.02.2017; No. 11-N, dated 02.02.2018

Appendix
Approved by Decision No 190-N of the
Board of the Central Bank of the Republic of Armenia
on 15 July 2014

Appendix
Approved by Decision No 145-N of the
Board of the Central Bank of the Republic of Armenia
on 12 April 2005

REGULATION 1

ON PROCEDURES OF LICENSING, REGISTRATION, GIVING CONSENT AND PERMISSION, APPRAISAL OF THE PROFESSIONAL ADEQUACY AND QUALIFICATION IN THE AREA OF ACTIVITY OF BANKS

(the title is edited by Resolution No. 190-N, dated 15.07.14)

PART I. GENERAL PROVISIONS AND BASIC DEFINITIONS

CHAPTER 1. GENERAL PROVISIONS

1. This Regulation defines:

- 1) the procedure of prior approval of getting the license, registration and licensing of banks and branches of foreign banks,
- 2) the procedure of registration of branches and representative offices of banks, founded within the territory of the Republic of Armenia,
- 3) the procedure of getting consent from the Central Bank for founding branches and representative offices of banks outside the Republic of Armenia,
- 4) the procedure of changing the type of activity of credit organizations, granting a bank's registration certificate and a banking license to credit organizations,
- 5) the procedure of temporary suspension of activity of branches of banks, representative offices of banks and foreign banks,
- 6) the procedure of termination of activity of branches of banks, representative offices of banks and foreign banks,
- 7) the procedure of getting the copy of registration certificate and banking license in case they are lost, destroyed and unfit for usage,
- 8) the procedure of the return of the registration certificate and banking license to the Central Bank,
- 9) the documents, submitted for getting the prior consent for acquisition of direct significant participation in the statutory capital of the bank by legal persons, international organizations, states and natural persons,

- 10) the documents, submitted for getting the prior consent for acquisition of indirect significant participation in the statutory capital of the bank by legal persons, international organizations, states and natural persons,
- 11) other issues on acquisition of significant participation in the statutory capital of the bank,
- 12) the documents, submitted for getting the prior consent for acquisition of other participation in the statutory capital of the bank,
- 13) the regular reports about persons (and persons, affiliated with them), having significant participation in the statutory capital of the bank and the branch of the foreign bank,
- 14) general provisions about managers,
- 15) qualifications, diplomas and certificates, equivalent to the qualification, provided to the managers,
- 16) the procedure of appraisal of qualification of Board members,
- 17) the procedure of appraisal of qualification of dealers, who make decisions in banks,
- 18) the procedure of participation of managers (except for the Chairman of the Board, Deputy Chairman of the Board, Board members and dealers, who make decision in banks) in the qualification examinations, as well as the procedure of conducting the examination,
- 19) qualification tests of the managers (except for the Chairman of the Board, Deputy Chairman of the Board, Board members and dealers, who make decision in banks),
- 20) assessment of qualification tests and their appeal,
- 21) the procedure of granting the qualification certificates,
- 22) the scope of additional authorities, given by qualification certificates,
- 23) the criteria of professional adequacy of managers,
- 24) the procedure of registration of managers (except for the Chairman of the Board, the Deputy Chairman of the Board and the dealer, who makes decision in the bank),
- 25) the procedure of removing the registration of the managers,
- 26) the procedure of appointing the temporary acting managers and procedure of their execution,
- 27) the procedure of submitting the changes, subject to registration, to the Central Bank,
- 28) the procedure of submitting the changes, not subject to registration, to the Central Bank,
- 29) the procedure of getting the prior consent of the Central Bank for conducting a transaction or operations, related to the investment activity,
- 30) the procedure of providing financial operations outside the facility of the bank,
- 31) the requirements of facilities and technical equipment of the bank, branch of the foreign bank, territorial units of the bank.

2. All documents, required by this Regulation (except for the application about the managers and other documents, provided during the process of registration of managers and changes of managers),

are being submitted to the Central Bank in electronic form, by CBA-Net network, and in case of impossibility, by electronic drivers, registered letter or personally by providing to the Central Bank.

3. All documents, required by this Regulation (except for the statements about the managers) are being submitted to the Central Bank in Armenian (except for the cases, prescribed by this Regulation), with Unicode font type and “pdf” format, except for the statements about the managers of representative offices and the tables, attached to the economic programs, which are being submitted in “excel” format. The tables, attached to the economic program of the bank, branch of the foreign bank, are being submitted by protected files, sent by the Central Bank.

4. The statements about managers acting banks and branches of foreign banks are being submitted to the Central Bank by the system, provided in the webpage, defined by the Central Bank, by online entering the data in Armenian. Other documents, required by this Regulation within the process of registration of managers and changes in the list of managers, are being attached in the box, specified by the system. The responsible employee, authorized to confirm the statements of managers, is being provided with entering data (login and password) by the Central Bank to enter the system.

5. Applications about registration of managers or changes in the list of managers of newly founding banks and branches of foreign banks, as well as other documents, required by this Regulation within that process, are being submitted by electronic drivers. The statements about the managers are being submitted in “excel” format, and other documents, mentioned in this point, are being submitted in “pdf” format.

6. Charters (their amendments and supplements) of acting banks and their territorial subdivisions, as well as branches and representative offices of the foreign banks, operating within the territory of the Republic of Armenia, are being submitted to the Central Bank with the electronic-digital signature, provided by the Central Bank.

7. The requirement, defined by point 6 of this Regulation, is applied to the newly founding bank, newly founding branch and representative office of the foreign bank from the moment of getting an electronic-digital signature from the Central Bank. Persons, defined in this point, are required to re-submit to the Central bank those charters with the electronic-digital signature, which have been previously submitted without the electronic-digital signature, within three working days after the day of getting the respective signature.

8. The charters (their amendments, supplements), registered by the Central Bank, are being provided to the bank in electronic form, by CBA-Net network, and in case of impossibility, by an electronic driver. Electronic versions of registered charters of bank, branch and representative office of the foreign bank, as well as their amendments and supplements, are being placed by the Central Bank on www.cba.am webpage within 5 working days after registration of charters (their amendments and supplements) at the Central Bank. Moreover, for newly founding banks, as well as for newly founding branches and representative offices of the foreign bank, the 5-day term, defined by this point, is calculated from the day of submitting their charters with electronic-digital signature to the Central Bank.

9. Documents in non-Armenian, defined by this Regulation, are being submitted to the Central Bank with their Armenian translations, approved by an authorized body or verified by a notary. In case of detection of contradiction or mismatch between documents in Armenian and non-Armenian, the priority is given to the Armenian version.

10. The documents, defined by this Regulation, as well as the documents and information, provided in addition to them, are being submitted to the Central Bank with their attached applications, signed by the authorized body. In the applications, submitted to the Central Bank (except for applications, stated by this Regulation), the person, signing the application, mentions, that the attached documents and information are credible and complete, and that he/she realizes, that any false presentation and/or omission brings to sanctions, defined by the law, and rejection of the application.

11. The name of the file of the application, submitted to the Central Bank in electronic form, should have the following structure:

name of the bank	hyphen	type of the documents	hyphen	content of the document (in 12 digits)	hyphen	date in ddmmyy format	dot	extension
------------------	--------	-----------------------	--------	--	--------	-----------------------	-----	-----------

For example, the application about changes in the Charter should have the following structure:

ABC	_	application	_	Chart.Change	_	250914	.	pdf
-----	---	-------------	---	--------------	---	--------	---	-----

12. In case of existence of shortcomings (misprints, non-legal inaccuracies, numerical mistakes and/or other omissions) in the documents, submitted according to this Regulation, the Central Bank informs the applicant about those shortcomings. The application is being considered as submitted from the moment of submission of corrected information and documents to the Central Bank. Moreover, submission of documents incompletely again can serve as a basis for rejection of the application.

13. The calculation of terms, defined by the Law of the Republic of Armenia “On banks and banking”, for prior approval, registration and licensing, giving consent and permission, as well as for making other decisions by the Central Bank in accordance with this Regulation, starts from the moment of proper submission of all required documents to the Central Bank.

14. The information, which should be submitted in accordance with this Regulation for getting the prior approval, registration and licensing or other process, defined by this Regulation, and which has already been submitted to the Central Bank in the past (in the scope of current or other process), is being again submitted to the Central Bank only in case of changes and only in the part of changes. Moreover, in accordance with this point, in case of not submitting the appropriate changes or the submission of only the changes, it should be mentioned in the application.

15. If the information, submitted by the documents, required by this Regulation, has been changed before making a decision within the appropriate process, then the bank should again submit the changed document to the Central Bank within 3 working days.

16. The Central Bank may ask for additional information and (or) clarifications about the points of information and statements, required by this Regulation, which need some clarification and interpretation, as well as for individual analytical and/or supervisory purposes. In case of suspension of the term of examination of the application by the Central Bank, in accordance with the Law of the Republic of Armenia “On banks and banking”, the term of examination, starting from the moment of decision of

resuming the examination, should not exceed the number of days, arising by the difference between the days before the suspension and the term, defined for that examination.

17. Financial statements, required by this Regulation, are being prepared:

- 1) in accordance with those standards of financial accounting, which in accordance with the Law of the Republic of Armenia “On accounting”, should be used by that organization for accounting, preparing and submitting financial statements, or
- 2) in case of foreign legal persons, in accordance with International Financial Reporting Standards or other internationally accepted standards.

18. Audit reports, attached to financial statements of foreign legal persons, required by this Regulation, are being submitted in case of their existence, except for audit reports, attached to financial statements, required from legal entities for acquisition of significant participation in the statutory capital of the bank.

19. (Point 19 was repealed by Resolution No. 257-N, dated 15.12.15)

20. In cases, defined by this Regulation, the ratings, provided by international rating agencies and A.M.Best rating agency (hereinafter in this point, rating agency) are being used in accordance with the following principle (unless otherwise is specified by this Regulation):

- 1) If the organization has a rating, given only by one rating agency, then that rating is being considered,
- 2) If the organization has two different ratings, given by different rating agencies, then the lowest rating is being considered,
- 3) If the organization has three or more ratings, given by different rating agencies, then the lower of the two highest ratings is being considered.

21. In order to replenish the statutory capital (and after that, for each replenishment of the statutory capital), the founders of the bank (the banks) submits an application to the Central Bank for opening a saving account, in accordance with Appendix 1 of this Regulation.

(Point 21 was amended by Resolution No 351-N, dated 16.12.14)

CHAPTER 2. CONCEPTS, USED IN THE REGULATION

22. The concepts, used in this Regulation, are used in the following meanings:

- 1) “Central Bank” – the Central Bank of the Republic of Armenia,
- 2) “Bank” – bank, founded or acting in the Republic of Armenia,
- 3) “Branch of a foreign bank” – a foreign bank’s branch, founded or acting in the Republic of Armenia
- 4) “Manager” – the bank’s Chairman of the Board, Deputy Chairman of the Board, Board members, executive director (Chairman of the executive board), Deputy Chairman of the executive board, members of the bank’s directorship (executive board), Governor of the branch of a foreign bank, Chief accountant of the bank and the branch of a foreign bank, Deputy chief accountant of the bank and the branch of a foreign bank, Head and members of internal audit unit, dealer, who makes decision in the bank, employees, performing the function of preventing money laundering and

financing of terrorism (hereinafter, employees on internal monitoring unit), governor and chief accountant of the branch of the bank.

- 5) “Existence or possibility of worsening of financial condition” – a situation, when:
 - a. the bank has violated or will violate at least one of the main prudential standards, and/or
 - b. occurrence of basis of insolvency, defined by Article 2 of the Law of the Republic of Armenia “On bankruptcy of banks, credit organizations, investment companies, managers of investment funds and insurance companies”, is probable at the bank.
- 6) “Financial group (union)” – a subject, submitting consolidated financial statements in cases, defined by International Financial Reporting Standard 10 “Consolidated financial statements” or other internationally accepted standard,
- 7) “Financial statements” – statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in owners’ equity, notes to financial statements,
- 8) “Financial organizations” – bank, credit organization, insurance company, investment company, investment fund manager, corporate investment fund, «Armenian motor insurers bureau» union of legal persons, payment-settlement organization,
- 9) “International rating agency” – Moody’s Investors Service, Standard and Poor’s, Fitch Ratings rating agencies,
- 10) “Passport data” – passport series and passport number, and in case of absence of the passport – data on other identification document,
- 11) “Social services number” – the social services number (social security card number), provided to the person by the Republic of Armenia, or the number of the statement about non-getting a social services number,
- 12) “Rural community” – in conformity with the Law of the Republic of Armenia “On administrative division of the Republic of Armenia”,
- 13) “Compliance with “Core principles of effective banking supervision”” – in accordance with the Financial Sector Assessment Project (FSAP) assessment, provided by the International Monetary Fund and the World Bank, the compliance of the state’s banking supervision with all core principles, developed by the Basel Committee of Banking Supervision (BCBS) with the first (compliant) or second (largely compliant) levels of assessment scale, defined by the Basel Committee of Banking Supervision.
- 14) “Person with higher education” – a person, who has graduated from a university in the Republic of Armenia or a foreign country, or who has got a professional qualification certificate in the financial area, recognized in the Republic of Armenia internationally,
- 15) “Temporary acting manager” – a person, who acts as a manager without registration for that managerial position at the Central Bank,
- 16) “Dealer, who makes decision in the bank” – the employee of the bank or the branch of a foreign bank, who makes decision on conditions (including the price, volume,

number, interest rate, terms of signing, execution, repayment and other terms and/or other conditions) of buying, selling or changing foreign currency, securities, provided by the Law of the Republic of Armenia “On securities market”; or signing repo agreements,

17) “Committee” – Licensing and Supervision Committee of the Central Bank,

18) “Qualifying organization” – an organization, chosen by the Central Bank, which conducts the appraisal of qualification of managers.

(Point 22 was amended by Resolution No 351-N, dated 16.12.14)

23. Other concepts, used in this Regulation, have the meanings, used in the Law of the Republic of Armenia “On banks and banking”.

PART II. PROCEDURE OF GETTING THE PRIOR APPROVAL FOR LICENSING, PROCEDURES OF REGISTRATION AND GRANTING THE BANKING LICENSE

CHAPTER 3. THE PROCEDURE OF PRIOR APPROVAL OF GETTING THE BANKING LICENSE

24. For the prior approval of getting the banking license, the following documents are being submitted to the Central Bank by the founders.

- 1) Documents, defined by Article 25 of the Law of the Republic of Armenia “On banks and banking”, moreover:
 - a. the application of the founders or the foreign bank is being submitted, according to Appendix 2 or Appendix 3 of this Regulation,
 - b. the economic program of the founding bank or branch of a foreign bank is being submitted, according to Appendix 4 of this Regulation ,
 - c. information and documents about the persons, acquiring significant participation in the statutory capital of the founding bank is being submitted, according to Chapters 14 and 15 of this Regulation,
- 2) the founding agreement of the bank,
- 3) those internal legal acts (their drafts) of the bank or the branch of a foreign bank, which are referenced in the submitting draft Charter,
- 4) the properly given letter of attorney, if the initiating persons or the foreign bank are being presenting by an authorized representative,
- 5) information about legal and natural persons, affiliated with the bank or the foreign bank (in case of the branch of the foreign bank), in accordance with Appendix 5 or Appendix 6 of this Regulation, respectively,
- 6) information about legal and natural persons, affiliated with legal and natural persons, affiliated with the bank or the foreign bank (in case of the branch of the foreign bank), in accordance with Appendix 5 or Appendix 6 of this Regulation, respectively,
- 7) financial statements of the legal persons, affiliated with the bank or the foreign bank (in case of the branch of the foreign bank) of the last financial year (for the legal

persons, operating less than one year, the mentioned information is being submitted for the whole period of operation) and their independent audit opinion,

8) for the branch of the foreign bank, also:

- a. the consent of the supervisory body of the home country to open a branch in the Republic of Armenia, if according to the rules of the supervisory body of the home country, it is not defined, that the consent of the supervisory body to open a branch in a foreign country is being provided only after getting the prior consent for opening a branch of a foreign bank in the foreign country,
- b. a document, justifying that the long-term deposit rating of the foreign bank, opening the branch, given by international rating agencies, have been at least AA- (Aa3) by the day of submitting the application to the Central Bank. If the foreign bank has ratings, provided by two or three international rating agencies, then the most strict (the lowest) rating is being considered,
- c. the confirmation, provided by the banking supervisory body of the home country of the foreign bank, that the foreign bank has not violated the banking regulation of the given country and (or) the requirements of prudential standards, defined by the supervisory body, for the period of two years prior of submitting the application to the Central Bank, and if the foreign bank has operated less than two years, then for the whole period of its operation,
- d. a document, justifying that the banking supervision of the home country of the foreign bank, opening the branch, is in compliance with the “Core principles of effective banking supervision”, developed by the Basel Committee of Banking Supervision. The score of the banking supervision should be provided not earlier than 5 years preceding the day of submission of the application to the Central Bank,
- e. a statement that the home country of the foreign bank is being considered as a cooperating country by means of combating the money laundering and financing of terrorism and no any statement has been published for the given country by the FATF and/or other international body, having a similar activity, about the non-compliance of the system of money-laundering and financing of terrorism,
- f. a statement, that there is an agreement (Memorandum of Understanding) between the Central Bank and the banking supervisory body of the home country of the foreign bank, opening the branch, about cooperation in the area of banking supervision,
- g. a guarantee letter, provided by the foreign bank, opening the branch, about meeting all the responsibilities of the branch of the foreign bank immediately and without any prerequisites by the foreign bank, in case the responsibilities, arisen from the activity of the branch of the foreign bank in

the territory of the Republic of Armenia, are not met by the branch of the foreign bank,

- h. documents and information, specified by Chapter 14 of this Regulation, about the persons having significant participation in the statutory capital of the foreign bank, except for the application, instead of which the statement about persons, having significant participation, is being submitted, in accordance with Appendix 7 of this Regulation.

25. The information, stated in sub-points 4 and 5 of point 24 of this Regulation, is not being provided with the basis, mentioned in point 14 of this Regulation, as well as for the persons, mentioned in the following sub-points, who:

- 1) in accordance with the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”, are being supervised by the Central Bank,
- 2) are considered as international organization,
- 3) are considered as organizations, having international reputation or having a rating of “A-” and/or “A3” or higher, provided by international rating agencies, if there is a consent of the Board of the Central Bank.

(Point 25 was amended by Resolution No. 257-N, dated 15.12.15)

26. The statements, specified in sub-point 6 of point 24 of this Regulation, are not being submitted on the basis of point 14 of this Regulation, as well as by those persons, who are considered as persons, supervised by the Central Bank, which, according to the periodicity and procedure, specified by the law and other legal acts, submit their statement on financial position and statement on comprehensive income to the Central Bank.

(Point 26 was amended by Resolution No. 257-N, dated 15.12.15)

27. The bank submits to the Central Bank with the list of names of those affiliated legal persons, as well as names, surnames, passport data and social services number of those affiliated natural persons, information about which is not being submitted in accordance with points 25 (except for sub-points 2 and 3) and 26 of this Regulation.

28. For the legal persons, affiliated with the founding bank or foreign bank (in case of the branch of the foreign bank), which are involved in any group, union or group of persons, consolidating their financial statements on any other basis, the statements, specified by sub-point 7 of point 24 of this Regulation, are not being submitted, instead of which the statements (information), specified in this point, are being submitted. Moreover, in case of existence of other significant participant or an affiliated person in the group (union) or group of persons, consolidating their financial statements on any other basis, the statements (information), required by this point, are being submitted by one of them:

- 1) the structure of the group (union),
- 2) annual financial statements of the group (union) for the last financial year (the legal persons, operating less than one year, submit the mentioned information for the whole period of their operation) and the opinion of independent auditor on those financial statements.

29. The Central Bank may require the reports (information), specified by sub-point 7 of point 24 of this Regulation, for the legal persons affiliated with the persons affiliated with the bank; and if the

legal person affiliated with the person affiliated with the bank is involved in any group (union) or group of persons, consolidating their financial statements on any other basis, then the Central Bank may require the statements (information), specified by point 28 of this Regulation.

30. When justifying its opinion about the existence of grounds, specified by Article 26(1)(b) of the Law of the Republic of Armenia “On banks and banking”, while rejecting the application of providing the prior consent of licensing, the Central Bank is being guided by the following criteria:

- 1) the volume of the newly founding bank is not consistent for meeting the banking risks (including, market, interest rate, credit and other), arising at the initial stage; or it is probable that losses will occur; or the violation of main prudential standards is probable. This criteria does not apply to those founding banks, whose initiators have submitted their obligation letter to the Central Bank, mentioning their readiness to provide additional financial support to the bank in case of worsening of its financial condition,
- 2) in the economic program, there is inconsistency or inaccuracy in the provided data, or the main predictions, made in the program, are not realistic,
- 3) the bank’s suggested internal organizational structure or operational system are not sufficient to manage the bank’s risks,
- 4) the authorities and responsibilities of the bank’s managerial bodies or organizational units are not explicitly segregated in the bank’s economic program,
- 5) the bank’s suggested internal control system is not sufficient for meeting the requirements of the bank’s economic program and the bank’s risk management, as well as does not satisfy the Central Bank’s requirements on the banks’ internal control system,
- 6) the possible arising risks of the bank are not correctly assessed in the program; or the information sources, used for risk analysis and assessment are not described in the economic program,
- 7) the information sources, used for analysis of target markets, different types of predictions and assumptions, are not presented in the economic program,
- 8) when presenting its potential customers, the bank has not presented sufficient justifications about intentions or incentives of those persons for becoming the bank’s customers,
- 9) the bank’s main and potential competitors are presented inaccurately or incompletely in the program,
- 10) the measures, set by the marketing program, are not sufficient to meet the requirements of the economic program,
- 11) the bank’s strategy of capitalization is not realistic.

CHAPTER 4. REGISTRATION OF BANKS AND BRANCHES OF FOREIGN BANKS

31. For registration of the bank or the branch of the foreign bank by the Central Bank, the founders of the bank or the foreign bank (in case of the branch of the foreign bank) submit the following documents:

1) documents, defined by point 1 of Article 27 of the Law of the Republic of Armenia “On banks and banking”, moreover:

- 1) the application for registration is being submitted in accordance with Appendix 8 or Appendix 9 of this Regulation,
- 2) the petition of the bank or the branch of the foreign bank about registration of the managers and the statement about activities of the manager, in accordance with Appendix 10 and Appendix 11 of this Regulation, respectively. Moreover, Appendix 11 includes also the verified specimen of the manager’s signature.
- 3) the Charter should have a cover-page, defined by Appendix 12 of this regulation,
- 4) the statement, provided by the persons, having significant participation in the statutory capital of the bank, stating the absence of the conditions, defined by Article 18 of the Law of the Republic of Armenia “On banks and banking”, is included in the application, specified in paragraph “a” of this sub-point,
- 5) information and documents about persons, acquiring significant participation in the statutory capital of the founding bank are being submitted in accordance with Chapters 14 and 15 of this Regulation.
- 6) documents, required about legal persons, where the significant participant in the statutory capital of the bank is also a significant participant, are being submitted in accordance with Chapter 15 of this Regulation,
- 7) the application and other required documents for registration of firm name of the founding bank (the copy of registration certificate of the firm name of the foreign bank, as well as its Armenian translation, verified by the notary) are being submitted, in accordance with the procedure approved jointly by the Board of the Central Bank and the Minister of Justice of the Republic of Armenia, defined by Article 27(1)(c1) of the Law of the Republic of Armenia “On banks and banking”,
 - 2) those internal legal acts of the founding bank or the branch of the foreign bank, which are referenced in the submitted Charter,
 - 3) the invoice of payment of the state fee for registration of the founding bank or the branch of the foreign bank,
 - 4) the properly given letter of attorney, if the initiating persons or the foreign bank are being presented by an authorized representative.

32. The registration certificate of the bank or the branch of the foreign bank is being provided in one example in accordance with Appendix 13 or Appendix 14 of this Regulation, respectively.

CHAPTER 5. ISSUANCE OF BANKING LICENSE

33. For getting a banking license, the registered bank or the branch of a foreign bank, in addition to the requirements, specified by point 1 of Article 29 of the Law of the Republic of Armenia “On

banks and banking”, should also satisfy the following conditions:

- 1) the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the detached facility, meeting the requirements, specified by Chapter 32 of this Regulation, by the bank or the branch of a foreign bank, and the copy of the lease (sub-lease) agreement, approved by the notary, has been submitted. In case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well.
- 2) The internal legal acts, regulating the activity of the bank or the branch of a foreign bank, are sufficient for meeting the requirements of the bank’s economic program and the bank’s risk management, as well as satisfy the Central Bank’s requirements on the banks’ internal control system.
- 3) All other conditions of the economic program of the bank or the branch of the foreign bank are satisfied.
- 4) The state fee for getting the license has been paid.
- 5) For the branch of a foreign bank, also:
 - a. The consent of the state body of banking supervision of the home country or the country of significant operations of the foreign bank for providing banking activity in the Republic of Armenia, has been provided, if it has not been provided at the stage of prior approval,
 - b. At the Central Bank or, with the consent of the Central Bank, at any bank, operating within the territory of the Republic of Armenia, a deposit of at least 200 mln Armenian Drams (or its equivalent in foreign currency with the FX rate of the day of placement of the deposit) has been placed in the name of the foreign bank, founding the branch. Moreover, the contract of deposit should specify, that the deposit can be withdrawn with the request of the depositor only with the prior consent of the Central Bank. At the same time, the foreign bank, founding the branch, should take an unconditional obligation, according to which, in the case, when pursuant to the law the sum of the deposit should be unconditionally repaid, despite the consent of the parties, the foreign bank should again place the deposit at the Central Bank or, with the consent of the Central Bank, at any bank within the territory of the Republic of Armenia, with the conditions, specified by this sub-point, within 5 working days after getting the repaid money from the bank.

34. Upon granting the license to the bank or the branch of a foreign bank, the Central Bank notifies the latter, that the list of normative legal acts, regulating the banking activity, is posted on the official webpage of the Central Bank.

35. The license of the bank or the branch of the foreign bank is being provided in one example in accordance with Appendix 15 of this Regulation.

CHAPTER 6. THE PROCEDURE OF REGISTRATION OF THE BANK'S BRANCHES, FOUNDED IN THE TERRITORY OF THE REPUBLIC OF ARMENIA

36. For registration of a branch in the territory of the Republic of Armenia, the banks, operating in the territory of the Republic of Armenia, should submit the following documents to the Central Bank:

- 1) the documents, specified by point 1 of Article 28 of the law of the Republic of Armenia "On banks and banking", moreover:
 - a. the application of the bank is being submitted in accordance with Appendix 16 of this Regulation. The statement, stating that the facility of activities of the branch of the bank corresponds to the criteria, set by the Central Bank, is involved in the application,
 - b. the Charter of the branch should have a cover page, defined by Appendix 12 of this Regulation,
 - c. the petition of the bank about registration of the manager of the branch and the statement about the manager and his/her activity are being submitted in accordance with the requirements, specified by point 186.1 of this Regulation,
 - d. the economic program of the founding branch is being submitted in accordance with Appendix 17 of this Regulation,
 - e. as the document about providing facility to the branch, the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the facility and the copy of the lease (sub-lease) agreement, approved by the notary is being submitted. In case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well,
 - f. as the document about the compliance of the branch's technical equity with the criteria, defined by the Central Bank, the documents, certifying the compliance of the facility and technical equipment of the branch with the requirements, defined by Chapter 32 of this Regulation, if it has not been noted in the application, mentioned in this point, about compliance of the branch's facility and technical equipment in terms, set in the application,
- 2) the state fee payment invoice for registration of the branch,

3) (Repealed)

(Point 36 was amended by Resolution No. 239-N, dated 20.12.16)

37. The certificate of registration of the branch of the bank is being provided by the Central Bank to the bank within five working days after making the decision of registration, in one example, in accordance with Appendix 18 of this Regulation.

38. In addition to the grounds, specified by point 6 of Article 28 of the Law of the Republic of Armenia "On banks and banking", the Central Bank can repudiate the application of registration of the branch, if the economic program of activity of the branch does not meet the requirements of the Central Bank, in particular:

- 1) there is inconsistency or inaccuracy of the data, represented in the economic program, or the main predictions, made in the program, are not realistic,
- 2) the branch's suggested internal organizational structure or operational system are not sufficient to manage the bank's risks,
- 3) the branch's suggested internal control system is not sufficient for meeting the requirements of the branch's economic program and the branch's risk management, as well as does not satisfy the Central Bank's requirements on the banks' internal control system,
- 4) the possible arising risks of the branch are not correctly assessed in the program; or the information sources, used for risk analysis and assessment are not described in the economic program,
- 5) the branch's main and potential competitors are presented inaccurately or incompletely in the program,
- 6) the information sources, used for analysis of target markets, different types of predictions and assumptions, are not presented in the economic program,
- 7) when presenting its potential customers, the bank has not presented sufficient justifications about intentions or incentives of those persons for becoming the bank's customers.

CHAPTER 7. THE PROCEDURE OF REGISTRATION OF THE BANK'S AND FOREIGN BANK'S REPRESENTATIVE OFFICE, FOUNDED IN THE TERRITORY OF THE REPUBLIC OF ARMENIA

39. For registration of a representative office in the territory of the Republic of Armenia, the banks, operating in the territory of the Republic of Armenia, and the foreign banks should submit the following documents to the Central Bank:

- 1) the documents, specified by point 2 of Article 28 of the law of the Republic of Armenia "On banks and banking", moreover:
 - a. the application of the registration of the representative office, in accordance with Appendix 19 of this Regulation, which includes also the justification of foundation of the representative office,
 - b. the Charter of the founder bank is being submitted, if a foreign bank is the founder,
 - c. the Charter of the representative office should have a cover-page, defined by Appendix 12 of this Regulation,
- 2) the decision of the bank's or the foreign bank's competent management body or an excerpt from the respective minutes of the decision on foundation of the representative office,
- 3) the decision of the bank's or the foreign bank's competent management body or an excerpt from the respective minutes of the decision on the appointment of the managers of the representative office,

- 4) the statement about the manager of the representative office, in accordance with Appendix 20 of this Regulation,
- 5) the invoice of payment of the state fee for registration of the representative office, if it is provided by the legislation,
- 6) the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the facility of the representative office and the copy of the lease (sub-lease) agreement, approved by the notary. In case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well.

40. The certificate of registration of the representative office of the bank is being provided by the Central Bank to the bank within five working days after making the decision of registration, in one example, in accordance with Appendix 21 of this Regulation.

41. In addition to the grounds, specified by point 7 of Article 28 of the Law of the Republic of Armenia “On banks and banking”, the Central Bank can repudiate the application of registration of the bank’s or foreign bank’s representative office, founding within the territory of the Republic of Armenia, in the following cases:

- 1) in opinion of the Central Bank, the justifications of founding the representative office are not sufficient,
- 2) at the moment of submission of the application, as well as during the discussion period of the application, the bank has violated at least one of the main prudential standards, set by the Central Bank.

CHAPTER 8. THE PROCEDURE OF FOUNDATION OF BANK’S BRANCHES AND REPRESENTATIVE OFFICES OUTSIDE THE REPUBLIC OF ARMENIA

42. When founding branches outside the Republic of Armenia, the bank, operating within the territory of the Republic of Armenia, should submit the following documents to get the consent of the Central bank:

- 1) the documents, specified by point 3 of Article 28 of the Law of the Republic of Armenia “On banks and banking”, moreover:
 - a. the application of the bank is being submitted in accordance with Appendix 22 of this Regulation,
 - b. the economic program of the founding branch is being submitted in accordance with Appendix 17 of this Regulation.
- 2) the Charter of the branch,
- 3) the bank’s petition about registration of the managers of the founding branch and the statement about the manager and his/her activity, in accordance with the requirements, specified by point 186.1 of this Regulation.
- 4) **(Repealed)**
- 5) a document, certifying the obligation of the person, who has rights over a detached facility, by which he has obliged, from the moment of registration (and (or) licensing)

of the branch of the bank, to provide the facility to the branch by property right or fee-free use or on lease (sub-lease), as well as the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the facility and the copy of the lease (sub-lease) agreement. In case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well,

- 6) the documents, certifying the compliance of the facility and technical equipment of the branch with the requirements, defined by Chapter 32 of this Regulation, if it has not been noted in the application, mentioned in this point, about compliance of the branch's facility and technical equipment in terms, set in the application.

(Point 42 was amended by Resolution No. 239-N, dated 20.12.16; No. 30-N, dated 03.02.17)

43. When founding representative offices outside the Republic of Armenia, the bank, operating within the territory of the Republic of Armenia, should submit the following documents to get the consent to the Central bank:

- 1) the application, specified by point 3 of Article 28 of the Law of the Republic of Armenia "On banks and banking", in accordance with Appendix 23 of this Regulation,
- 2) the Charter of the representative office, which should have a cover-page in accordance with Appendix 12 of this Regulation,
- 3) the decision of the bank's competent management body or an excerpt from the respective minutes of the decision on the election or appointment of the manager of the representative office,
- 4) the statement about the manager of the representative office, in accordance with Appendix 20 of this Regulation,
- 5) a document, certifying the obligation of the person, who has rights over a detached facility, by which he has obliged, from the moment of registration (and (or) licensing) of the representative office of the bank, to provide the facility to the branch by property right or fee-free use or on lease (sub-lease), as well as the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the facility and the copy of the lease (sub-lease) agreement. In case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well.

44. The document, certifying the fact of registration (licensing, accreditation), specified by point 3 of Article 28 of the Law of the Republic of Armenia "On banks and banking", is being submitted to the Central Bank within a 10-day period after registration (licensing, accreditation) of the branch or representative office, attaching the registered Charter of the branch or the representative office.

45. The Central Bank might not give its consent to the bank, operating within the territory of the Republic of Armenia, to found a branch or a representative office outside the Republic of Armenia, in accordance with the grounds, specified in points 38 and 41 of this Regulation, respectively.

CHAPTER 9. THE PROCEDURE OF CHANGING THE TYPE OF ACTIVITY OF CREDIT ORGANIZATIONS, THE PROCEDURE OF GRANTING A BANK'S REGISTRATION CERTIFICATE AND A BANKING LICENSE TO CREDIT ORGANIZATIONS

46. In case of making a decision by the highest management body of the credit organization to change the type of activity of the credit organization, the credit organization submits to the Central Bank the documents, specified by point 3 of Article 22.2 of the Law of the Republic of Armenia "On credit organizations", moreover:

- 1) the application about the change of type of activity of the credit organization is being submitted in accordance with Appendix 24 of this Regulation,
- 2) the program of changing the activity type of the credit organization, approved by the highest management body of the credit organization, is being submitted in accordance with Appendix 25 of this Regulation.

47. When justifying its opinion about the program, specified by sub-point 2 of point 46 of this Regulation, the Central Bank is being guided by the criteria, defined by point 30 of this Regulation.

48. In case of the Central Bank giving the consent to the application, specified in point 46 of this Regulation, a prior approval for the credit organization to receive a banking license is considered to be given. Together with providing the consent mentioned in this point, the Central Bank also provides its prior consent to the significant participation of participants of the new bank.

49. To be registered as a bank and to receive the banking license, at the time of submitting the application the branches and representative offices of the credit organization (if any) shall comply with all the requirements regarding bank branches and representative offices, set forth by the Central Bank legal acts, except for related documents to be submitted to the Central Bank. The statement of the credit organization about the compliance should be included in the application. The credit organization along with the application shall submit the following documents to the Central Bank:

- 1) the changed Charter of the credit organization, which should have a cover-page in accordance with Appendix 26 of this Regulation,
- 2) those internal legal acts of the founding bank, which are referenced in the submitting Charter,
- 3) the application and other required documents for registration of firm name of the founding bank, in accordance with the procedure approved jointly by the Board of the Central Bank and the Minister of Justice of the Republic of Armenia, defined by Article 27(1)(c1) of the Law of the Republic of Armenia "On banks and banking",
- 4) the invoice of payment of the state fee for registration of the bank and getting the license,
- 5) the decision of the credit organization's competent management body or an excerpt from the respective minutes of the decision to register all branches and representative offices of the credit organization as the bank's branches and representative offices or to terminate the activity of a part of them, in case of getting a banking license,

- 6) the changed Charter of each branch and representative office, which should have a cover-page in accordance with Appendix 26 of this Regulation,
- 7) the application of the credit organization on registration of the bank branch manager is being submitted to the Central Bank in accordance with the requirements, specified by point 186.1 of this Regulation, and the statement about the manager of the representative office - in accordance with Appendix 20 of this Regulation,
- 8) the decision of the competent management body of the credit organization or an excerpt from the respective minutes of the decision on the election or appointment of the bank's managers,
- 9) the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the detached facility, meeting the requirements, specified by Chapter 32 of this Regulation, by the bank or the branch of a foreign bank, and the copy of the lease (sub-lease) agreement, approved by the notary, has been submitted. In case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well.

(Point 49 was amended by Resolution No. 167-N, dated 14.10.16; No. 239-N, dated 20.12.16)

50. The credit organization, which has got the prior approval, should meet the requirements, set by Chapter 5 of this Regulation, in order to be registered as a bank and receive a banking license.

51. While submitting the documents, mentioned in point 49 of this Regulation, to the Central Bank, the credit organization might not provide the respective amount of funding on its Central Bank account, if as of the day of submitting the mentioned documents to the Central Bank, the paid in statutory capital and the total regulatory capital of the credit organization meet the requirements of the minimum amount of bank statutory capital and the minimum amount of bank total regulatory capital established by the Central Bank.

52. The Central Bank performs the examination of the documents mentioned in point 49 of this Regulation and the decision making within such period of time, which is set forth in this Regulation regarding examination of documents for issuing the banking license.

53. Within 3 working days after the day the Central Bank adopts a decision on registering the credit organization as a bank, issuing the banking license and revoking the credit organization license, the credit organization license and the registration certificates of the head office, branches and representative offices of the credit organization shall be submitted to the Central Bank.

54. Relations concerning the change of credit organizations' activity type, which are not regulated in this Chapter, are regulated by the other relevant provisions of this Regulation.

54.1. Within a reasonable term after its re-registration as a bank, the bank notifies the clients of the credit organization, operating before the re-registration, about completion of the process of changing the type of the credit organization's activity; about the further service procedures of the clients, as well as operating phone numbers through which the clients may get comprehensive information about the mentioned procedures.

(Point 54.1 was added by Resolution No. 167-N, dated 14.10.16)

CHAPTER 10. THE PROCEDURE AND TERMS OF TEMPORARY SUSPENSION OF THE ACTIVITY OF THE BANK'S BRANCHES, REPRESENTATIVE OFFICES OF BANKS AND FOREIGN BANKS

55. A bank may temporarily suspend the activity of its branch and (or) representative office, but for a period, not exceeding one year. In the decision of the competent body about temporary suspension of the activity of the bank's branch, representative office of the bank or a foreign bank, it is necessary to clearly mention the date, after which the activity of the branch or representative office is considered to be resumed; or it is necessary to notify the Central Bank in the written form at least 20 days prior resuming of the activity.

56. To receive the Central bank consent for the temporary suspension of activities of its branch, the bank should submit the following documents to the Central bank:

- 1) a petition to receive the Central bank consent on temporary suspension of activities of the branch, signed by a person authorized by the management body of the bank,
- 2) the decision of the competent management body of the bank on temporary suspension of activities of the branch,
- 3) justifications of temporary suspension of activities of the branch,
- 4) measures, actions to be performed by the bank aimed at transferring assets and liabilities of the branch, and terms of their execution,
- 5) balance sheet of the branch at the moment of making a decision on temporary suspension of activities of the bank branch.

57. The Central Bank might not give its consent to temporary suspend the activity of the bank's branch, if:

- 1) the submitted documents contain inaccurate or misstated information,
- 2) the submitted documents are incomplete,
- 3) by the justified opinion of the Central bank, the further normal service of the bank's customers will not be sustained,
- 4) there is no other bank providing banking services in the given region,
- 5) measures, actions to be performed by the bank aimed at transferring assets and liabilities of the branch, and terms of their execution are not realistic.

58. Within 30 days upon submission of the documents predetermined by point 56 of this Regulation, the Central bank makes a decision to give its consent to the temporary suspension of activities of the bank branch, or to repudiate to temporary suspend the activity of the bank's branch notifying the bank about the reasons its repudiation.

59. The 30-day period of review of the petition for temporary suspension of activities of the bank branch, may be suspended, in order to receive certain information required by the Central Bank. Once the required information is received, the period of resumed review of the petition shall not exceed the number of days prior to such suspension and the number of days left to complete the 30-day period.

60. If the Central bank does not reject the petition within 30 days or does not notify the bank about suspension during that period, then the consent to temporary suspend the activities of the bank branch is considered to be given.

61. Within 5 working days after the day of making decision, in accordance with point 58 of this Regulation, or the 30-day period, in accordance with point 60 of this Regulation, the bank shall publish the information on temporary suspension of activities of the branch in the press with a circulation of at least 2 thousand copies, and publish an example of the newspaper (journal), containing that information, on the bank's webpage, and in case of damage of the webpage, present a copy of the newspaper (journal) to the Central bank.

62. Within the terms, specified in accordance with sub-point 4 of point 56 of this Regulation, after giving the consent of temporary suspension of activities by the Central Bank, the bank submits to the Central Bank the document, certifying the transfer of assets and liabilities of the bank's branch.

(Point 62 was amended by Resolution No 351-N, dated 16.12.14)

63. In case, the bank does not submit to the Central Bank the document, certifying the transfer of the branch's assets and liabilities, within the period, specified in accordance with sub-point 4 of point 56 of this Regulation, the consent to temporary suspend the activity of the bank's branch is considered to be void.

(Point 63 was amended by Resolution No 351-N, dated 16.12.14)

64. To receive the Central bank consent for the temporary suspension of activities of its representative office, the bank or the foreign bank should submit the following documents to the Central bank:

- 1) the bank's or the foreign bank's petition to get the consent to temporary suspend the activity of the representative office, signed by a person, authorized by the management body of the bank or the foreign bank,
- 2) the decision of the competent body of the bank or the foreign bank on temporary suspension of activities of the representative office of the bank or the foreign bank.

(Point 64 was amended by Resolution No 351-N, dated 16.12.14)

65. Within 10 working days after submission of the documents predetermined by point 64 of this Regulation, the Central bank gives its consent to temporary suspend the activities of the representative office of the bank or the foreign bank, or does not give its consent, if the submitted documents are incomplete, inaccurate or false, notifying the bank or the foreign bank about the reasons of rejection.

66. Within 5 working days after the day of making decision on consent of temporary suspension of activities of the bank's representative office, the bank shall publish the information about temporary suspension of activity of the representative office in the press with a circulation of at least 2 thousand copies, and publish an example of the newspaper (journal), containing the information about temporary suspension of activity of the representative office, on the bank's webpage, and in case of damage of the webpage, present a copy of the newspaper (journal), containing the information about temporary suspension of activity of the representative office, to the Central bank.

(Point 66 was amended by Resolution No 351-N, dated 16.12.14)

CHAPTER 11. THE PROCEDURE AND TERMS OF TERMINATION OF THE ACTIVITY OF THE BANK'S BRANCHES, REPRESENTATIVE OFFICES OF BANKS AND FOREIGN BANKS

67. To receive the consent for the termination of activities of the bank's branch, the bank submits the following documents to the Central bank:

- 1) a petition to receive the consent on termination of activities of the branch, signed by a person authorized by the management body of the bank,
- 2) the decision of the competent body of the bank or an excerpt from the respective minutes of the decision on termination of activities of the branch,
- 3) justifications of termination of activities of the branch,
- 4) measures, actions to be performed by the bank aimed at transferring assets and liabilities of the branch, and terms of their execution,
- 5) balance sheet of the branch at the moment of making a decision on termination of activities of the branch.

68. Within 30 days upon submission of the documents predetermined by point 67 of this Regulation, the Central bank makes a decision to give its consent to the termination of activities of the bank branch, or to reject the termination of the activity of the bank's branch notifying the bank about the reasons its repudiation.

(Point 68 was amended by Resolution No 351-N, dated 16.12.14)

69. The 30-day period of review of the petition for termination of activities of the bank branch, may be suspended, in order to receive certain information required by the Central Bank. Once the required information is received, the period of resumed review of the petition shall not exceed the number of days prior to such suspension and the number of days left to complete the 30-day period.

70. The Central Bank might not give its consent to terminate the activity of the bank's branch in existence of any of the grounds, specified by point 57 of this Regulation.

71. If the Central bank does not reject the petition within 30 days or does not notify the bank about suspension during that period, then the consent to terminate the activities of the bank branch is considered to be given.

72. Within 5 working days after the day of making decision, in accordance with point 68 of this Regulation, or the 30-day period, in accordance with point 71 of this Regulation, the bank shall publish the information on termination of activities of the branch in the press with a circulation of at least 2 thousand copies, and publish an example of the newspaper (journal), containing that information, on the bank's webpage, and in case of damage of the webpage, present a copy of the newspaper (journal), containing that information, to the Central bank.

73. Within the terms, specified in accordance with sub-point 4 of point 67 of this Regulation, after giving the consent to terminate the activities by the Central Bank, the bank should submit to the Central Bank:

- 1) the document, certifying the transfer of assets and liabilities of the bank's branch,
- 2) the registration certificate of the bank's branch.

(Point 73 was amended by Resolution No 351-N, dated 16.12.14)

74. In case, the bank does not submit to the Central Bank the documents, prescribed in point 73 of this Regulation, within the period, specified in accordance sub-point 4 of point 67 of this Regulation, the consent on termination the activity of the bank's branch is considered to be void.

(Point 74 was amended by Resolution No 351-N, dated 16.12.14)

75. The Central Bank makes a decision on termination of activities of a bank's branch, if the branch has not provided banking activity for six months.

76. In case of termination of the activity of the representative office of a bank or a foreign bank, the bank or the foreign bank should submit the following documents to the Central Bank:

- 1) a petition on consent of temporary suspension of activities of the representative office of the bank or the foreign bank, signed by a person, authorized by the competent management body of the bank or the foreign bank,
- 2) the decision of the competent management body of the bank or the foreign bank, or excerpts from the minutes, on termination of activities of the representative office of the bank or the foreign bank,
- 3) the registration certificate of the representative office of the bank or the foreign bank.

(Point 76 was amended by Resolution No 351-N, dated 16.12.14)

77. Within 10 working days after submission of the documents predetermined by point 76 of this Regulation, the Central bank decides to give its consent to terminate the activities of the representative office of the bank or the foreign bank, or not to allow to terminate the activity, if the submitted documents are incomplete, inaccurate or false, notifying the bank or the foreign bank about the reasons of rejection.

78. Within 5 working days after the day of making the decision to give the consent on termination of activities of the bank's representative office, the bank shall publish the information about termination of activities of the bank's representative office in the press with a circulation of at least 2 thousand copies, and publish an example of the newspaper (journal), containing that information, on the bank's webpage, and in case of damage of the webpage, present a copy of the newspaper (journal), containing that information, to the Central bank.

(Point 78 was amended by Resolution No 351-N, dated 16.12.14)

79. Within five working days, the bank submits to the Central Bank the document, certifying the fact of waiving the registration of the bank's branch or representative office, founded outside the territory of the Republic of Armenia, by the respective authorized body of that country. Within five working days after receiving the document, mentioned in this point, the Central Bank notifies the state body, authorized to perform registration of legal person, about it, in order to make an appropriate recording.

CHAPTER 12. THE PROCEDURE OF PROVIDING THE COPY OF REGISTRATION CERTIFICATE AND BANKING LICENSE

80. In case the registration certificate and (or) the banking license is unfit for usage (damaged, ripped, becoming unreadable, etc.), destroyed or lost, the bank or the branch of the foreign bank submits an application to the Central Bank to get the copy of the registration certificate or the banking license, as

well as for announcing about the loss of the registration certificate or the banking license on the webpage of the Central Bank. The original version of the registration certificate and (or) the banking license (except for the cases of loss and destruction), the invoice of payment of state fee for getting the copy of the banking license are being submitted, attached to the application.

81. The Central Bank provides the copy of the lost, unfit or destroyed registration certificate and (or) the banking license to the bank of the branch of the foreign bank within 10 working days after the day of submission of the application to the Central Bank.

82. In case the lost registration certificate and (or) the banking license has been found, the bank or the branch of the foreign bank should return the found registration certificate and (or) the banking license to the Central Bank.

83. The mark "Copy" is being made on the top right corner of the copy of the registration certificate and (or) the banking license.

84. In case the copy of the registration certificate and (or) the banking license is lost, destroyed or unfit for usage, the new copy of the registration certificate or the banking license is being provided in accordance with the procedure, specified in this Chapter.

CHAPTER 13. THE PROCEDURE OF RETURN OF THE REGISTRATION CERTIFICATE OR THE LICENSE TO THE CENTRAL BANK

85. In case of termination of activities of a representative office of the foreign bank, a territorial unit of the bank, founded within the territory of the Republic of Armenia, the appropriate registration certificates with an attached note are being returned to the Central Bank within three working days.

86. In case the license of activities of the bank or the branch of the foreign bank has been revoked pursuant to legislation, the bank, the branch of the foreign bank should return the license, and in case of the branch of the foreign bank – also the registration certificate of the branch of the foreign bank, with an attached note to the Central Bank within five working days after the moment of making the decision of revocation of the license by the Board of the Central Bank.

87. Within five working days after making the decision by the Central Bank to approve the liquidation balance of the bank, the bank returns to the Central Bank the registration certificates of the bank, all territorial unit of the bank, founded within the territory of the Republic of Armenia, as well as the certificate of registration of the firm name of the bank, attached with a note.

88. Appealing against the decision of the Central Bank on revocation of the license, approval of the liquidation balance of the bank, termination of activities of a territorial unit shall not remedy the bank for a failure to return the appropriate license or registration certificate within the defined term.

PART III. THE PROCEDURE OF GETTING THE PRIOR CONSENT FOR ACQUISITION OF SIGNIFICANT OR OTHER PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

CHAPTER 14. THE DOCUMENTS, SUBMITTED FOR GETTING THE PRIOR CONSENT FOR ACQUISITION OF DIRECT SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

89. For getting the prior consent for acquisition of direct significant participation in the statutory capital of a newly founded or operating bank, the legal person should apply to the Central Bank with the intermediation of the bank, submitting the following documents:

- 1) the application of the legal person on acquisition of significant participation in the statutory capital of the bank, in accordance with Appendix 27 of this Regulation,
- 2) its Charter (for the non-resident direct significant participant),
- 3) the decision of the competent management body of the legal person on acquisition of direct significant participation in the statutory capital of the bank,
- 4) the documents, specified by Chapter 15 of this Regulation, about the parties, acquiring indirect significant participation through the legal person, if any other person gets the status of indirect significant participant at the bank through the given legal person,
- 5) its annual financial statements for the last three years (in case of operating less than three years - for the whole period of operation) and the last interim financial statement and the opinion of independent auditor on the financial statements of the last financial year,
- 6) statements about legal and (or) natural persons, affiliated with the legal person, according to Appendix 28 and Appendix 29 of this Regulation, respectively.

90. If the legal person is included in any group (union) or group of persons, consolidating their financial statements on any other basis, then instead of the statements, defined by sub-point 5 of point 89 of this Regulation, the following statements (information) are being submitted to the Central Bank (in case of existence of other significant participant or an affiliated person in the group (union) or group of persons, consolidating their financial statements on any other basis, the statements (information) are being submitted by one of them):

- a. the structure of the group (union),
- b. annual financial statements of the group (union) for the last three financial years and the opinion of independent auditor on the financial statements of the last financial year.

91. The legal persons, prescribed by point 5 of Article 18 of the Law of the Republic of Armenia “On banks and banking”, in order to get the prior consent on acquisition of participation (despite the size of participation) in the statutory capital of the bank, should submit to the Central Bank the documents, specified by point 89 of this Regulation.

92. International organizations, and in case of the consent of the Central Bank, the organizations, that have international reputation and (or) ratings higher than “A-” (“A3”), given by

international rating agencies, in order to get the prior consent for acquisition of direct significant participation in the statutory capital of the bank, should submit to the Central Bank the documents, defined by point 89 of this Regulation, except for the information, defined by sub-point 6 of point 89 of this Regulation.

93. *(Point 93 was repealed by Resolution No. 257-N, dated 15.12.15)*

94. For getting the prior consent for acquisition of direct significant participation in the statutory capital of a newly founded or operating bank, the state should apply to the Central Bank with the intermediation of the bank, submitting the following documents:

- 1) the application on acquisition of significant participation in the statutory capital of the bank, in accordance with Appendix 30 of this Regulation,
- 2) the decision of its competent management body on acquisition of significant participation in the statutory capital of the bank.

95. For getting the prior consent for acquisition of direct significant participation in the statutory capital of a newly founded or operating bank, the natural person should apply to the Central Bank with the intermediation of the bank, submitting the following documents:

- 1) the application on acquisition of significant participation in the statutory capital of the bank, in accordance with Appendix 31 of this Regulation,
- 2) the documents, specified by Chapter 15 of this Regulation, about the parties, acquiring indirect significant participation through the natural person, if any other person gets the status of indirect significant participant at the bank through the given natural person,
- 3) statements about legal and (or) natural persons, affiliated with the natural person, according to Appendix 28 and Appendix 29 of this Regulation, respectively.

96. The natural person, prescribed by point 5 of Article 18 of the Law of the Republic of Armenia “On banks and banking”, in order to get a participation (despite the size of participation) in the statutory capital of the bank, before acquiring the given participation, should apply to the Central Bank with intermediation of the appropriate bank, in order to get the prior consent, submitting the documents, specified by point 95 of this Regulation.

CHAPTER 15. THE DOCUMENTS, SUBMITTED FOR GETTING THE PRIOR CONSENT FOR ACQUISITION OF INDIRECT SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

97. For getting the prior consent for acquisition of indirect significant participation in the statutory capital of a newly founded or operating bank, the legal person should apply to the Central Bank with the intermediation of the bank, submitting the following documents:

- 1) the application of the legal person on acquisition of indirect significant participation in the statutory capital of the bank, in accordance with Appendix 27 of this Regulation,
- 2) its Charter (for the non-resident indirect significant participant),

- 3) the documents, specified by this point and by points 98 and (or) 100 of this Regulation, about the parties, acquiring indirect significant participation through the legal person, if any other person gets the status of indirect significant participant at the bank through the given legal person,
- 4) its annual financial statements for the last three years (in case of operating less than three years - for the whole period of operation) and the last interim financial statement and the opinion of independent auditor on the financial statements of the last financial year,
- 5) statements about legal and (or) natural persons, affiliated with the legal person, according to Appendix 28 and Appendix 29 of this Regulation, respectively.

98. International organizations, and in case of the consent of the Central Bank, the organizations, that have international reputation and (or) ratings higher than “A-” (“A3”), given by international rating agencies, in order to get the prior consent for acquisition of indirect significant participation in the statutory capital of the bank, should apply to the Central Bank with the intermediation of the appropriate bank, submitting the documents, defined by sub-points 1-4 of point 97 of this Regulation.

99. For getting the prior consent for acquisition of indirect significant participation in the statutory capital of a newly founded or operating bank, the state should apply to the Central Bank with the intermediation of the bank, submitting the documents, specified by point 94 of this Regulation.

100. For getting the prior consent for acquisition of indirect significant participation in the statutory capital of a newly founded or operating bank, the natural person should apply to the Central Bank with the intermediation of the bank, submitting the following documents:

- 1) the application on acquisition of indirect significant participation in the statutory capital of the bank, in accordance with Appendix 31 of this Regulation,
- 2) the documents, specified by this point and by points 97 and (or) 98 of this Regulation, about the parties, acquiring indirect significant participation through the natural person, if any other person gets the status of indirect significant participant at the bank through the given natural person,
- 3) statements about legal and (or) natural persons, affiliated with the natural person, according to Appendix 28 and Appendix 29 of this Regulation, respectively.

CHAPTER 16. OTHER PROVISIONS, RELATED TO THE ACQUISITION OF SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

101. If a few persons acquire indirect significant participation in the statutory capital of the bank through the person, intending to acquire direct significant participation in the statutory capital of the bank, then in order to get the consent for acquisition of indirect significant participation, the documents, required by the Law of the Republic of Armenia “On banks and banking” and this Regulation, are being submitted only about that person, through whom no other person acquires significant participation in the given bank. If necessary, the Central Bank may require documents from those persons, through whom a significant participation is being acquired at the bank.

102. If the bank has such information about the persons who have or intend to acquire significant participation in the statutory capital of the bank, which, if owned by the Central Bank, could bring to the rejection of the application of getting the prior consent for acquisition of significant participation in the statutory capital of the bank, or could bring to the termination of the prior consent for acquisition of the significant participation, pursuant to legislation, then the bank should inform the Central Bank about it within three working days after receiving the information.

103. The indirect significant participation in the statutory capital of the bank, acquiring through the direct significant participant, is being considered as rejected, if the application of direct significant participation has been rejected.

104. The prior consent for acquisition of the significant participation in the statutory capital of the bank by a person and affiliated parties is being provided by the Central Bank for a three-month period, if no longer period is prescribed by the decision. The documents, confirming the implementation of the transaction, are being submitted to the Central Bank. If the transaction is not implemented or the documents, confirming the implementation of the transaction, are not submitted to the Central Bank within the period, prescribed by this point, then the prior consent of the Central Bank shall be considered as void.

105. In cases, when affiliated parties acquire the significant participation, the documents, defined in Chapter 15 of this Regulation, are required from each of them.

105.1. In case of change of the significant participation of the direct or indirect significant participant or his/her affiliated parties in the statutory capital of the bank, the bank is obliged to submit the justification of change of the significant participant (the reasons and circumstances of alienation of participation by the participant) to the Central Bank.

(Point 105.1 was added by Resolution No. 239-N, dated 20.12.16)

CHAPTER 17. THE DOCUMENTS, SUBMITTED FOR GETTING THE PRIOR CONSENT FOR ACQUISITION OF OTHER PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

105.2. In case of acquisition of significant participation in the statutory capital of the bank by a direct or indirect significant natural person non-resident participant and non-resident natural persons, affiliated with the latter, the bank is obliged to submit the identification document of the non-resident significant participant to the Central Bank.

(Point 105.2 was added by Resolution No. 239-N, dated 20.12.16)

106. For getting the prior consent for acquisition of other participation in the statutory capital of a bank, the person should apply to the Central Bank with the intermediation of the bank, submitting the following documents:

- 1) the application on acquisition of other participation in the statutory capital of the bank, in accordance with Appendix 32 of this Regulation,
- 2) the decision of competent body of the legal person or the state, acquiring other participation in the statutory capital,
- 3) the justification of acquisition of other participation (the reasons and circumstances of alienation of participation by the participant)

(Point 106 was edited by Resolution No. 239-N, dated 20.12.16)

107. If the person becomes a significant participant of the bank as a result of acquiring other participation in the statutory capital of the bank, then, in order to get the prior consent of the Central Bank, the person should submit the documents, prescribed by this Regulation for the participants, intending to acquire significant participation.

PART IV. THE STATEMENTS AND INFORMATION, SUBMITTED REGULARLY BY THE BANK AND THE BRANCH OF THE FOREIGN BANK

CHAPTER 18. THE STATEMENTS AND INFORMATION, SUBMITTED REGULARLY BY THE BANK AND THE BRANCH OF THE FOREIGN BANK

108. The banks, the branches of foreign banks submit the following statements (information) to the Statistical department of the Central Bank before June 1 of each year for the residents, and before August 1 of each year for non-residents:

- 1) financial statements of legal persons, having significant participation in the statutory capital of the bank and the branch of the foreign bank, for the last financial year and the opinion of independent auditor (the legal persons, operating less than one year, submit the mentioned information for the whole period of their operation),
- 2) financial statements of legal persons, affiliated with the bank and the foreign bank (in case of the branch of the foreign bank), for the last financial year and the opinion of independent auditor (the legal persons, operating less than one year, submit the mentioned information for the whole period of their operation),
- 3) the list of names, surnames and positions of managers of legal persons, affiliated with the bank and the branch of the foreign bank, as well as the legal persons, affiliated with the persons, affiliated with the bank (except for the cases, specified by point 25 of this Regulation),
- 4) the list of names, surnames and positions of natural persons, affiliated with the bank and the branch of the foreign bank, as well as the natural persons, affiliated with the persons, affiliated with the bank.

109. If the legal person, having significant participation in the statutory capital of the bank and the branch of the foreign bank, is included in any group (union) or group of persons, consolidating their financial statements on any other basis, then instead of the statements, defined by sub-point 1 of point 108 of this Regulation, the following statements (information) are being submitted to the Central Bank:

- a. the structure of the group (union),
- b. annual financial statements of the group (union) for the last financial year (the legal persons, operating less than one year, submit the mentioned information for the whole period of their operation) and the opinion of independent auditor.

110. If the legal person, affiliated with the bank and the branch of the foreign bank, is included in any group (union) or group of persons, consolidating their financial statements on any other basis, then

instead of the statements, defined by sub-point 2 of point 108 of this Regulation, the following statements (information) are being submitted to the Central Bank:

- a. the structure of the group (union),
- b. annual financial statements of the group (union) for the last financial year (the legal persons, operating less than one year, submit the mentioned information for the whole period of their operation) and the opinion of independent auditor.

111. The statements, specified in sub-points 1 and 2 of point 108 of this Regulation, are not being submitted to the Central Bank, if the legal person, having significant participation in the statutory capital of the respective bank, and the legal person, affiliated with the bank, are considered as persons, supervised by the Central Bank, which, according to the periodicity and procedure, specified by the law and other legal acts, submit their statements of financial position and statements of comprehensive income to the Central. In that case, the list of names of the persons, mentioned in this point, is being submitted to the Central Bank.

(Point 111 was amended by Resolution No. 257, dated 15.12.15)

112. The Central Bank may require the bank and the branch of the foreign bank to submit the statements (information), specified in sub-points 2 and 3 of point 108 of this Regulation, to the Central Bank with the defined periodicity also for the legal persons, affiliated with the persons, affiliated with the bank or the branch of the foreign bank.

113. If the statements and information, defined by this Chapter, are published on the webpage in Armenian, Russian or English, then instead of the statements and information, the web address (URL) of the respective webpage (homepage) is being submitted to the Central Bank within the deadline of submission of those statements and information to the Central Bank. Moreover, the legal persons ensure the existence of the required statements (information) on the webpage for at least 1 year.

PART V. THE PROCEDURE OF APPRAISAL OF QUALIFICATION OF MANAGERS, CRITERIA OF PROFESSIONAL ADEQUACY AND THE PROCEDURES OF REGISTRATION

CHAPTER 19. GENERAL PROVISIONS ABOUT MANAGERS

114. Managers should have a qualification in accordance with the procedure, defined by this Regulation, as well as meet the professional adequacy criteria, defined by this Regulation, and be registered at the Central Bank, except for the cases, specified by this Chapter.

115. The dealers, who make decision in the bank, are not being registered at the Central Bank.

116. Only the candidates of the executive director, head of directorship, member of directorship, chairman of the executive board, deputy chairman of the executive board, member of the executive board, deputy executive director, head of internal audit, chief accountant of the bank and the branch of the foreign bank take part in the examination and get the appropriate qualification certificate for the managerial positions in the Central Bank. The candidates of managerial positions, mentioned in this point, can take part in the examinations, conducted in the Central Bank, only with the intermediation of the bank or the branch of the foreign bank, where they intend to occupy the position, appropriate to that qualification.

(Point 116 was amended by Resolution No 351-N, dated 16.12.14)

116.1. Managers, except for the managers set in point 116 of this Regulation, are qualified at the qualifying organizations, whose list is being published on the webpage of the Central Bank.

(Point 116.1 was added by Resolution No 351-N, dated 16.12.14)

116.2. In case, when no qualifying organization has been chosen to conduct the appraisal of qualification of the managerial position and (or) the activity of the chosen qualifying organization has been terminated, then the process of appraisal of the qualification of the appropriate manager, defined by point 116.1 of this Regulation, is being organized at the Central Bank, in accordance with the procedure, defined by this Regulation.

(Point 116.2 was added by Resolution No 351-N, dated 16.12.14)

117. Those candidates of managers, who are in the process of registration, and who within the last 10 years have worked at least for one year in reputable international organizations, defined by Appendix 33 of this Regulation, and have performed responsibilities like those of the position for which they should be qualified, and/or have hold similar positions, are considered to be qualified by the Central Bank and the qualifying organization, in accordance with the procedure defined by this Regulation.

(Point 117 was amended by Resolution No 351-N, dated 16.12.14)

118. The appraisal of qualification, defined by this Regulation, is not mandatory for the managers of those branches of banks, which, based on the conclusion of the unit of the Central Bank, responsible for the supervision, meet the following requirements:

- 1) the bank has valid systems of staff recruitment, development of the staff professional quality, development of new generation of managers, as well as assessment of qualification of the branches' managers,
- 2) the internal control system of the bank meets the requirements on implementation of internal control in banks, set by the Central Bank of the Republic of Armenia,
- 3) there is a network between the given branch and the head office of the bank, which allows to conduct operations in on-line regime, which means that it ensures the immediate reflection of the transactions, performed at the branch, in the general information database and the bank's balance sheet.

(Point 118 was amended by Resolution No 351-N, dated 16.12.14)

118.1. The appraisal of qualification, specified by this Regulation, is not mandatory for the managers of the branch of the bank, established outside the territory of the Republic of Armenia. Moreover, the managers of the bank's branch, established outside the territory of the Republic of Armenia, are considered as qualified from the moment of providing by the Central Bank of its preliminary consent to establish a branch of the bank outside the territory of the Republic of Armenia.

(Point 118.1 was added by Resolution No. 30-N, dated 03.02.17)

119. If the branch of the bank performs only the financial operations, specified by sub-points "e" and/or "j" of point 1 of Article 34 of the Law of the Republic of Armenia "On banks and banking", then the manager of the bank's branch can simultaneously act as a manager of other branches.

120. If the branch of the bank performs financial operations, other than those, specified by sub-points "e" and/or "j" of point 1 of Article 34 of the Law of the Republic of Armenia "On banks and

banking”, then the manager of the bank’s branch cannot simultaneously act as a manager of other branches.

121. In case of existence of network between the head office of the bank and the bank’s branch for conducting operations in on-line regime (the transactions, performed at the branch, are immediately reflected of in the general information database and the bank’s balance sheet), the bank’s branch may not have a chief accountant.

122. (Point 122 was repealed by Resolution No. 11-N, dated 02.02.18)

122.1. In case of non-resident natural person managers, registering under simple and complex procedures, the bank, the branch of a foreign bank should submit the identification document to the Central Bank.

(Point 122.1 was added by Resolution No. 239-N, dated 20.12.16)

CHAPTER 20. QUALIFICATIONS, DIPLOMAS AND CERTIFICATES, EQUIVALENT TO THE QUALIFICATIONS, PROVIDED TO THE MANAGERS BY THE CENTRAL BANK AND THE QUALIFYING ORGANIZATION

(Title of the chapter was amended by Resolution No 351-N, dated 16.12.14)

123. Pursuant to this regulation, a qualification certificate is being provided by the Central Bank to the manager, registered in a certain position, who has a qualification, diploma or certificate, adequate to that position, mentioned in the table in this point:

POSITION	QUALIFICATION, DIPLOMA OR CERTIFICATE
1. Executive director (Chairman of the executive board), Deputy executive director (Deputy Chairman of the executive board), Member of directorship (Member of the executive board), Manager of a branch of the foreign bank, Manager of a branch of the bank	2 levels of CFA qualification or FRM or F1-F9 levels of ACCA qualification
2. Chief accountant, Deputy chief accountant of the bank and the branch of the foreign bank, Chief accountant of the branch of a bank	F1-F9 levels of ACCA qualification or 2 levels of CFA qualification
3. Head of Internal audit unit, member of Internal audit unit of the bank and the branch of the foreign bank	F1-F9 levels of ACCA qualification or CIA qualification or 2 levels of CFA qualification or CISA qualification
4. Employee of internal monitoring unit of the bank	Compliance diploma or certificate given by the International Compliance Association
5. Managers (Manager and Chief accountant) of those branches of the bank, which, according to their Charter, perform only the financial operations, specified by sub-points “e” and “j” of Article 34 of the Law of the Republic of Armenia	F1-F5 levels of ACCA qualification or level 1 of CFA qualification

(Point 123 was edited by Resolution No. 239-N, dated 20.12.16)

CHAPTER 21. THE PROCEDURE OF APPRAISAL OF BOARD MEMBERS' QUALIFICATION

124. The candidates, who have applied for working in the position of a Board member of the bank or the branch of the foreign bank, pass their qualification examination through an interview at the Central Bank.

(Point 124 was amended by Resolution No 351-N, dated 16.12.14)

125. The interview (except for the additional interview) is being organized within the process of registration of the Board member by the Central Bank. For participation of the Board member in the interview, the bank submits an application and the statement on the manager and his/her activity to the Central Bank, in accordance with Appendix 10 and Appendix 11 of this Regulation, respectively.

126. The Central Bank informs the candidate about the day of the interview at least 5 days prior of the day of the interview.

127. During the interview, the candidate's knowledge is being checked within the scope of the topics, related to the Board member, defined by Appendix 34 of this Regulation.

128. Based on the results of the interview, the Central Bank makes a decision about adequacy or inadequacy of the knowledge of candidates of Board member within the scope of topics, defined by Appendix 34 of this Regulation.

(Point 128 was amended by Resolution No 351-N, dated 16.12.14)

129. The Central Bank can also make a decision about adequacy of knowledge of the candidate of the Board member without inviting the candidate of the Board member to the interview.

(Point 129 was amended by Resolution No 351-N, dated 16.12.14)

130. In case the Central Bank makes a decision about adequacy of knowledge of the candidate of Board member, the mentioned person is being considered as having the qualification of the Board member.

(Point 130 was amended by Resolution No 351-N, dated 16.12.14)

131. The qualification of the Board member is being given till the end of the term of his office in that given bank or the branch of the foreign bank.

132. The qualified Chairman of the Board, Deputy Chairman of the Board and Board members can be invited by the Central Bank to an additional interview at Central Bank during the subsequent years of their activity in order to appraise their qualification.

(Point 132 was amended by Resolution No 351-N, dated 16.12.14)

133. The additional interview is being conducted within the scope of the topics, related to the Board members of the bank, the branch of the foreign bank, defined by Appendix 34 of this Regulation.

134. The additional interview can be organized not often than once in three years and the bank is being informed about it at least 30 days prior of it.

135. Based on the results of the additional interview, the Central Bank makes a decision about adequacy or inadequacy of the Board member within the scope of topics, defined by Appendix 24 of this Regulation.

(Point 135 was amended by Resolution No 351-N, dated 16.12.14)

136. In case the Central Bank makes a decision about inadequacy of knowledge of the Board member, as well as in case the Board member is not present at the additional interview without a good reason, the mentioned persons are being considered as not having a qualification.

(Point 136 was amended by Resolution No 351-N, dated 16.12.14)

CHAPTER 22. THE PROCEDURE OF APPRAISAL OF QUALIFICATION OF THE DEALERS, MAKING DECISION IN THE BANK

137. In order to provide a qualification certificate to the dealer, making decision in the bank, the bank submits to the Central Bank:

- 1) the application in accordance with Appendix 35 of this Regulation,
- 2) the copy of the document, certifying the fact of passing of at least the first level of CFA (Chartered Financial Analyst) examination or
- 3) the copy of ACI (the Financial Markets Association) Dealing Certificate (hereinafter, ACI certificate).

138. The terms of the examination, organized for receiving the ACI certificate, are being set exclusively by the Central Bank.

139. The qualification certificate of the dealer, making decision in the bank, is being provided in accordance with Chapter 26 of this Regulation.

140. The Central Bank may reject the provision of qualification certificate of the dealer, if the person, applying to receive the qualification certificate of the dealer, has been deprived of the qualification certificate within the last three years, or the documents, required by this Regulation, are incomplete or inaccurate.

CHAPTER 23. THE PROCEDURE OF CONDUCTING EXAMINATIONS FOR MANAGERS WHO PASS THEIR QUALIFICATION APPRAISAL AT THE CENTRAL BANK

(Title of the chapter was amended by Resolution No 351-N, dated 16.12.14)

141. The candidates of the managers, specified in point 116 of this Regulation, who have applied to the Central Bank for registration, pass their qualification appraisal through the exam, organized by the testing center of the Central Bank (hereinafter, testing center).

(Point 141 was amended by Resolution No 351-N, dated 16.12.14)

142. The candidate of the manager passes the qualification examination within 15 days after submitting the application of registration of the manager, specified in point 116 of this Regulation to the Central Bank by the bank or the branch of the foreign bank. The Central Bank informs the candidate about the concrete date of the examination beforehand.

(Point 142 was amended by Resolution No 351-N, dated 16.12.14)

143. *(Point 143 was repealed by Resolution No 351-N, dated 16.12.14)*

144. *(Point 144 was repealed by Resolution No 351-N, dated 16.12.14)*

145. The candidates take part in the examination by presenting the following documents on the day of examination:

- 1) the passport or other identification documents and its copy,
- 2) the invoice of payment of the state fee,
- 3) the social services number (social security card) or the statement about non-getting a social services number (non-residents submit this if available).

(Point 145 was amended by Resolution No 351-N, dated 16.12.14)

146. The examination is being conducted in a separate room, which is being monitored by cameras.

147. After entering the examination room, the candidate is being invited to the appropriate computer, according to the list. The duration of the exam is not prolonged for those candidates, who are late.

148. The examination is being conducted through a computer program, in tests.

149. The candidates are being given explanations about technical issues, relating to the process of examination.

150. After the start of the examination has been announced, the candidate reads the assignments and selects one of the proposed answers (which to his/her view is the definitely right one among the mentioned answers) for each question (task).

151. During the examination, the candidate is prohibited to use printed, typed, handwritten materials, electronic devices (except for the electronic calculator, provided by the Central Bank), as well as to make noise, prompt, talk, ask questions to those present at room, leave the room. If the candidate wants to leave the room, his/her assignment is considered as finished. In case of failure to meet any of the indicated requirements, the candidate loses the right to participate in the further process of examination and is considered as having a negative result.

152. After finishing the assignment, as well as after the time allocated for solving the examination assignments has been expired, the candidate receives a report about the results of his/her test (in two examples), where the candidate's points are indicated in percentage. The reports are being signed by the candidate: one example is being kept at the Central Bank; the other is being given to the candidate.

CHAPTER 24. EXAMINATION TESTS OF THE MANAGERS (EXCEPT FOR THE CHAIRMAN OF THE BOARD, THE DEPUTY CHAIRMAN OF THE BOARD, THE BOARD MEMBERS AND THE DEALER, MAKING DECISION IN THE BANK)

153. The candidates of the managers, specified in points 116 and 116.1 of this Regulation, pass their qualification examination at the Central Bank and the qualifying organization, respectively, within the topics, mentioned by Appendix 34 of this Regulation. Symbol "+" means that the topic applies, and symbol "-" means, that it does not apply.

(Point 153 was amended by Resolution No 351-N, dated 16.12.14)

154. The test is a document, containing questions, which is compiled, based on the list of topics, defined by Appendix 34 of this Regulation.

155. The tests of the managers, who pass their qualification examination at the Central Bank, as well as their supplements and amendments are being approved by the separate decision of the Chairman of the Central Bank and are subject to publication, unless otherwise is mentioned in this Regulation. Tests are being revised, as needed.

(Point 155 was amended by Resolution No 351-N, dated 16.12.14)

156. Tests and the number of questions within the tests are differentiated by the following types of qualification:

TYPE OF QUALIFICATION	NUMBER OF QUESTIONS
1. Executive director, chairman of the executive board, deputy executive director, member of directorship (executive board) of the bank, manager of the branch of the foreign bank	100 questions
2. Chief accountant, deputy chief accountant of the bank and the branch of the foreign bank	100 questions
3. Head of Internal audit unit, member of Internal audit unit of the bank	100 questions
4. Manager of the branch of the bank	80 questions
5. Chief accountant of the branch of the bank	80 questions
6. Employee of the internal monitoring unit of the bank	80 questions (are not published)

(Point 156 was amended by Resolution No 351-N, dated 16.12.14)

156.1. Those points of the table, defined by point 156 of this Regulation, that relate to the managers, who pass their qualification examination in the qualifying organization, are in force only in the case, specified by point 116.2 of this Regulation.

(Point 156.1 was added by Resolution No 351-N, dated 16.12.14)

157. The candidate shall have 1.5 minutes in average for answering to each question of the test, provided for the managers, passing qualification examination at the Central Bank.

(Point 157 was amended by Resolution No 351-N, dated 16.12.14)

158. During the examination for the candidates of the manager, passing qualification examination at the Central Bank, who lacks knowledge of Armenian, participation of a translator is allowed, in which case the presence of the respective employee of the Central Bank is mandatory. Pursuant to the permission of the Head of Legal department of the Central Bank, the duration of the examination for candidates of managers, lacking knowledge of Armenian, may be extended.

(Point 158 was amended by Resolution No 351-N, dated 16.12.14)

159. Each question of the test, provided for the candidates of managers, passing qualification examination at the Central Bank, contains four answers, of which only one is definitely correct.

(Point 159 was amended by Resolution No 351-N, dated 16.12.14)

160. The definitely correct answer of the test, provided for the candidates of managers, passing qualification examination at the Central Bank, is rated one point, and the wrong answer is rated zero point. Marking definitely wrong and non-definitely right answers, more than one answer or no answer is considered to be a wrong answer.

(Point 160 was amended by Resolution No 351-N, dated 16.12.14)

CHAPTER 25. THE PROCEDURES OF ASSESSMENT OF THE TESTS OF THE MANAGERS, PASSING QUALIFICATION EXAMINATION AT THE CENTRAL BANK, AND APPEALING THE RESULTS OF THE EXAMINATION

(Title of the chapter was amended by Resolution No 351-N, dated 16.12.14)

161. The assessment of questions of the test, provided for the candidate of the manager, passing qualification examination at the Central Bank (hereinafter in this Chapter, candidate) is done as follows:

- 1) in case the candidate scores 70 percent or more of the maximum score, the candidate shall be considered as having a positive result,
- 2) in case the candidate scores up to 70 percent of the maximum score, the candidate is considered to have a negative result.

(Point 161 was amended by Resolution No 351-N, dated 16.12.14)

162. The candidates with a negative result may participate again in the examination within the terms, defined by point 142 of this Regulation.

(Point 162 was amended by Resolution No 351-N, dated 16.12.14)

163. The results of the answers of the test questions of the candidate (based on the computer data) are being approved by the Licensing and supervision committee of the Central Bank (hereinafter, Committee), and based on its positive conclusion, a qualification certificate is being provided to the candidate.

164. The candidate may appeal against the results of the conducted qualification examination within 3 working days after the day of the examination, by submitting a written application to the Central Bank, in accordance with Appendix 36 of this Regulation, or filling the application on the respective page of the webpage of the Central Bank. Within 5 working days after receiving the application the Central Bank informs the appellant about the results of the appeal.

(Point 164 was amended by Resolution No 351-N, dated 16.12.14)

CHAPTER 26. THE PROCEDURE OF GRANTING THE QUALIFICATION CERTIFICATES

165. Qualification certificates are being granted to the managers, who have passed qualification examination at the Central Bank, according to the following groups of positions:

- 1) executive director (chairman of the executive board), deputy executive director (deputy chairman of the executive board), member of directorship (member of the executive board) of the bank, manager of the branch of the foreign bank,
- 2) chief accountant of the bank, the branch of the foreign bank,
- 3) head of internal audit unit of the bank, the branch of the foreign bank,

- 4) dealer, making decision in the bank.

(Point 165 was amended by Resolution No 351-N, dated 16.12.14)

165.1. Qualification certificates are being granted to the managers, who meet the requirements, defined by points 117, 118, 118.1 and 123 of this Regulation, according to the following groups of positions:

- 1) executive director (chairman of the executive board), deputy executive director (deputy chairman of the executive board), member of directorship (member of the executive board) of the bank, manager of the branch of the foreign bank,
- 2) chief accountant, deputy chief accountant of the bank, the branch of the foreign bank,
- 3) head of internal audit unit of the bank, the branch of the foreign bank; member of internal audit unit of the bank,
- 4) manager of the branch of the bank,
- 5) chief accountant of the branch of the bank,
- 6) employee of the internal monitoring unit of the bank, the branch of the foreign bank.
- 7) Manager of the bank's branch, established outside the territory of the Republic of Armenia

(Point 165.1 was added by Resolution No 351-N, dated 16.12.14; amended by Resolution No 30-N, dated 03.02.17)

165.2. Qualification certificates are being granted to the candidates of managers, who have passed qualification examination at the qualifying organization, according to the following groups of positions:

- 1) deputy chief accountant of the bank, the branch of the foreign bank,
- 2) member of internal audit unit of the bank, the branch of the foreign bank,
- 3) manager of the branch of the bank,
- 4) chief accountant of the branch of the bank,
- 5) employee of internal monitoring unit of the bank, the branch of the foreign bank.

(Point 165.2 was added by Resolution No 351-N, dated 16.12.14)

166. The qualification certificate, defined by Appendix 37 of this Regulation, is being granted by the Central Bank to the manager, who has passed the examination at the Central Bank, or to the manager, who meets the requirements of point 117 of this Regulation, or to the manager of the bank's branch, which meets the requirements of point 118 of this Regulation, or the manager, who meets the requirements of point 118.1 of this Regulation (if the latter does not have a respective qualification certificate or providing of certificate is not meant by means of another basis), in electronic form, by sending to the e-mail address, presented in the statement about the manager and his/her activity, within 10 working days after registration of the manager at the Central Bank.

(Point 166 was amended by Resolution No 351-N, dated 16.12.14; No 30-N, dated 03.02.17)

167. The qualification certificate, defined by Appendix 38 of this Regulation, is being granted by the Central Bank to the dealer, making decision in the bank, within 10 days after submission of application of getting the qualification certificate to the Central Bank, by sending to the e-mail address, presented in the application.

(Point 167 was amended by Resolution No 351-N, dated 16.12.14)

168. The qualification certificate, defined by Appendix 38 of this Regulation, is being granted by the Central Bank to the manager, having the qualification, defined in point 123 of this Regulation, as well as to the manager, who has got the qualification certificate for the respective managerial position from the qualifying organization, within 10 working days after registration at the Central Bank, by sending to the e-mail address, presented in the statement about the manager and his/her activity.

(Point 168 was amended by Resolution No 351-N, dated 16.12.14)

169. In case the qualification certificates have not been received by e-mail within the terms, defined by points 166, 167 and 168 of this Regulation, the e-mail has been failed, or the qualification certificate, that has been granted in hard copy, has been lost (destroyed, become unfit), the person may inform the Central Bank about it, by submitting an application in the written form, mentioning the e-mail address, by which the person wants to receive the qualification certificate. Within 10 working days after receiving the application, the qualification certificate is being granted to the qualified person in electronic form, by sending to the e-mail address, mentioned in the application.

(Point 169 was amended by Resolution No 351-N, dated 16.12.14)

170. Information about the qualified persons is being published on the webpage of the Central Bank or the qualifying organization, in the list of "People with qualification certificate", within 15 working days after passing the examination (in cases, defined by this Regulation, in cases when it is granted after registration of the manager, then within 15 days after the day of registration of the manager). The link to the webpage of the qualifying organization is located on the webpage of the Central Bank.

(Point 170 was amended by Resolution No 351-N, dated 16.12.14)

171. The qualification certificates of the candidates are granted for a period of 3 years, starting from the moment of their provision, except for (i) the qualification certificates, granted to the persons, mentioned in points 117 and 118.1 of this Regulation, which are granted termless; (ii) and the qualification certificates, granted to the persons, mentioned in points 116.1 and 123 of this Regulation, which are granted till the expire of validity of the qualification, diploma or certificate, which served as basis for granting the qualification certificate; or till the end of considering that qualification, diploma or certificate as a basis for granting of the qualification certificate; or till conducting such an action or inaction by the person, as a result of which the rules of granting and (or) keeping of the qualification, diploma or certificate have been violated; (iii) and the qualification certificate, granted to the person, mentioned in point 118 of this Regulation, which is being granted till the end of the term of his office as a branch manager in the bank, specified by point 118 of this Regulation.

(Point 171 was amended by Resolution No 351-N, dated 16.12.14; No 30-N, dated 03.02.17)

172. At least 15 days prior the expiration date of the qualification certificate of the manager, who has passed the qualification examination and has been registered at the Central Bank, the bank or the branch of the foreign bank applies to the Central Bank for organizing a qualification examination for the manager. A new qualification certificate is being granted to the manager, who has passed the qualification examination, within a 10-day period after passing the examination, pursuant to this Regulation.

(Point 172 was amended by Resolution No 351-N, dated 16.12.14)

172.1. At least 5 days prior the expiration date of the qualification certificate of the manager, who has passed the qualification examination at the qualifying organization and has been registered, the bank

or the branch of the foreign bank submits an application to the Central Bank for getting a qualification certificate, attaching the document, verifying the qualification of the manager. Based on the document, verifying the qualification, a new qualification certificate is being granted to the manager by the Central Bank, within a 10-day period after submitting the application, pursuant to this Regulation.

(Point 172.1 was added by Resolution No 351-N, dated 16.12.14)

172.2. At least 5 days prior the expiration date of the qualification certificate, got previously by the manager, who has got the qualification, adequate to the managerial position, defined by point 123 of this Regulation, and has been registered at the Central Bank, the bank or the branch of the foreign bank submits an application to the Central Bank for getting a qualification certificate, attaching the document, verifying the qualification of the manager, if the bank is not going to remove the registration of the manager. Based on the document, verifying the qualification, a new qualification certificate is being granted to the manager by the Central Bank, within a 10-day period after submitting the application, pursuant to this Regulation.

(Point 172.2 was added by Resolution No 351-N, dated 16.12.14)

CHAPTER 27. THE SCOPE OF ADDITIONAL AUTHORITIES, GIVEN BY QUALIFICATION CERTIFICATE

173. A person, granted with a qualification certificate of the bank's executive director (chairman of the executive board), deputy executive director, member of directorship (executive board); the manager of the branch of the foreign bank, may work also as a manager of the bank branch.

174. A person, granted with a qualification certificate of the chief accountant, deputy chief accountant of a bank or the branch of a foreign bank, head of internal audit unit, member of internal audit unit of a bank, may work also as chief accountant of the bank branch.

175. A person, granted with a qualification certificate of the head of internal audit, member of internal audit of a bank and a branch of the foreign bank, may work also as employee if internal monitoring unit of the bank.

176. The executive director (chairman of the executive board), deputy executive director, member of directorship (executive board) of the bank, manager of the branch of the foreign bank may act as a dealer, making decision in the bank, without getting a respective qualification certificate.

177. The chief accountant of the bank and the branch of the foreign bank may in addition perform as a member of directorship (executive board) of the bank without getting a qualification certificate for the member of directorship (executive board).

CHAPTER 28. THE CRITERIA OF PROFESSIONAL ADEQUACY OF MANAGERS

178. The manager of the bank should be aware of the laws, other legal acts, regulating activities of the financial system, and in particular, banking activities, as well as business program of the bank (or the bank branch) and internal acts, regulating activities of the bank.

179. In order to register for working in any position, mentioned in this point, in addition to the criteria of professional adequacy, mentioned in point 178 of this Regulation, the person should also meet the following professional adequacy criteria:

POSITION	PROFESSIONAL ADEQUACY CRITERIA
1. Board member	1) in case of existence of higher education – at least 5 years of work experience, 2) in case of absence of higher education – at least 10 years of work experience
2. Executive director, chairman of the executive board, deputy executive director, deputy chairman of the executive board, member of directorship, member of executive board of the bank, manager of the branch of the foreign bank	Higher education and at least 5 years of work experience, of which at least 2 year at a managing position
3. Chief accountant, deputy chief accountant of the bank, the branch of the foreign bank	Higher education and at least 2 years of professional work experience
4. Manager of the bank branch	Higher education and at least 1 year of work experience
5. Chief accountant of the bank branch	Higher education and at least 1 year of professional work experience
6. Head of internal audit unit of the bank, branch of the foreign bank	Higher education and at least 3 years of work experience in the area of auditing
7. Member of internal audit unit of the bank, branch of the foreign bank	Higher education and at least 2 years of professional work experience. For the member of the internal audit unit, responsible for information systems – at least 2 years of professional work experience in the area of information technologies.
8. Employee of internal monitoring unit of the bank	Higher education and at least 1 year of work experience (in financial area or in the area of combating money laundering and financing of terrorism)
9. Managers (head and chief accountant) of those branches of the bank, which, according to their Charter, will perform only the financial operations, specified in sub-points “e” and “j” of Article 34 of the Law of the Republic of Armenia “On banks and banking”	Criteria of professional adequacy, specified in this table for the manager of the branch and the chief accountant of the branch
10. Dealer, making decision in the bank	Higher education

180. The work experience, defined in this Chapter, relates to the last 10 years preceding the moment of registration of the managers, except for the work experience, defined for the Board member.

181. If the candidate of a manager does not have the work experience and (or) the higher education, defined by point 179 of this Regulation, then the bank may provide respective documents,

information and (or) other justification to the Central Bank about existence of sufficient knowledge and skills of the candidate of the manager for working at the respective positions. Pursuant to the positive conclusion of the Committee, based on the provided documents, information and (or) other justification, the candidate of the manager is considered as meeting the professional adequacy criteria.

182. The work experience in a financial organization, mentioned in point 179 of this Regulation, relates only to the work experience, related to the professional activity of the given financial organization.

CHAPTER 29. REGISTRATION OF MANAGERS (EXCEPT FOR THE CHAIRMAN OF THE BOARD, THE DEPUTY CHAIRMAN OF THE BOARD AND THE DEALER, MAKING DECISION IN THE BANK)

183. The registration of the managers (except for the Chairman of the Board, Deputy chairman of the Board and the dealer, making decision in the bank) of the bank or the branch of the foreign bank is being conducted by two procedures – simple or complex. The types of the procedures of managers' registration, based on their positions, are defined by Appendix 39 of this Regulation.

184. The managers' registration with the complex procedure involves the following:

- 1) assessment of the candidate by analysis of information, submitted by the documents, required by this Regulation (including, documents of qualification), as well as the grounds of repudiation, defined by legislation,
- 2) conducting an oral interview with the candidate, in order to check his/her ability to meet the respective responsibilities, the ability to conduct an effective activity in the collegial management body and other skills, pursuant to this Chapter, except for cases, defined by point 195 of this Regulation.

185. The managers' registration with the simple procedure involves the following:

- 1) receiving information about the candidate, by submitting the documents, required by Regulation,
- 2) checking the existence of the candidate's qualification.

186. In order to register the person as a manager or to register the changes in the list of managers, the bank or the branch of the foreign bank submits the following documents to the Central Bank (except for the cases, specified by point 186.1 of this Regulation):

- 1) the application of the bank or the branch of the foreign bank about registration of the person as a manager or registration of the changes in the list of managers, and the statement about the manager and his/her activity, in accordance with Appendix 10 and Appendix 11 of this Regulation, respectively,
- 2) the decision of the competent management body of the bank and the branch of the foreign bank on the appointment of the manager or making changes in the list of managers,
- 3) the document, verifying the existence of qualification (qualification certificate), which is not being submitted for the managers, who have passed their qualification examination at the Central Bank.

(Point 186 was amended by Resolution No 351-N, dated 16.12.14; No. 239-N, dated 20.12.16)

186.1. For registration of the branch managers, the bank submits the petition on adequacy and registration of the bank branch manager to the Central Bank, in accordance with Appendix 42 of this Regulation.

(Point 186.1 was added by Resolution No. 239-N, dated 20.12.16)

187. The bank and the branch of the foreign bank should have and submit to the Central Bank an internal regulation, approved by the competent management body of the bank, where at least the procedures of checking the grounds of repudiation of the managers' registration, defined by the Law of the Republic of Armenia "On banks and banking" and this Regulation, as well as the benchmark requirements, specified by Appendix 43 of this Regulation, and the mechanisms of meeting the requirements, defined for those procedures, should be described.

(Point 187 was amended by Resolution No. 239-N, dated 20.12.16)

188. The managers or the changes in the list of managers, who are subject to registration with the complex procedure, are being registered by the decision of the Central Bank.

189. The managers, who are subject to registration with the simple procedure, are considered as registered, starting from the last day of the term, defined by the law, started from the moment of submitting the documents to the Central Bank, without the respective decision of the Central Bank, if the Central Bank, based on the justifications of points 190-192 of this Regulation, has not notified the bank, orally or in the written form, about registration of the person with the complex procedure, in case of which the procedures of registration with the complex procedure are applied.

190. If there is or there is possible a worsening of financial condition of the bank or the branch of the foreign bank; or in the opinion of the Central Bank, the principles of corporate governance are not sufficiently applied at the bank or the branch of the foreign bank; or the internal regulation, mentioned in point 187 of this Regulation, does not contain all the required mechanisms and (or) they are not in fact followed, then in such cases all the managers of the bank or the branch of the foreign bank may be invited to registration with the complex procedure.

191. If during the analysis of information about the manager's candidate, in opinion of the unit of the Central Bank, responsible for financial supervision, and/or other responsible unit, there are risks for the stability of the bank and/or the financial system, as well as for the reputation of the manager, then the given candidate may be invited to registration with the complex procedure.

192. If the branch of the bank, in opinion of the Central Bank, is considered as having significant impact on the activity of the bank, then all the managers of the given branch may be invited to registration with the complex procedure.

193. After receiving the notification, mentioned in point 189 of this Regulation, the registration of the respective manager the bank or the branch of the foreign bank is being conducted with the complex procedure, unless the Central Bank notifies, orally or in the written form, about the possibility to register the respective manager of the bank or the branch of the foreign bank with the simple procedure.

194. With the view to clarifying some facts, required by the Central Bank, as well as in the case the manager's candidate has submitted the required documents incompletely, the term of the manager's registration, stated by the law, can be suspended maximum for three months. In case of termination of the term, stated by the law, the three-month term, defined by point 204 of this Regulation, is being suspended as well. After the end of termination, the term of execution of the temporary acting manager cannot

exceed the number of days, calculated as the difference between the three-month period and the number of days of temporary execution before the termination.

195. When registering the managers of bank or the branch of the foreign bank with the complex procedure, the candidates of the managers might not be invited to the oral interview, in cases justified by the opinion of the Central Bank.

196. If the whole information, required by Appendix 11 of this Regulation, has been submitted previously to the Central Bank for registration of the person as a manager, and afterwards the bank or the branch of the foreign bank applies to the Central Bank with the request to register the same person as a manager, then only the all fields of points 1 and 2, fields 3.1 (the name, surname, middle name), 3.3 (the date of birth) of the application and all the fields that have been changed after the previous submission, may be filled, when submitting the statement, defined by Appendix 11 of this Regulation, to the Central Bank.

197. The bank or the branch of the foreign bank might not submit all the documents and (or) information that has been previously submitted to the Central Bank, pursuant to the law, for registration of managers, recalling the date of the application, submitted before, if the information, submitted before, has not changed.

198. The registration of the board members of the bank, branch of the foreign bank shall be made pursuant to the decision of the Board of the Central Bank, defined in point 130 of this Regulation.

199. The Board member of the bank, the branch of the foreign bank, elected as a Chairman or Deputy Chairman of the Board, is not subject to an additional qualification examination and registration, and the bank, the branch of the foreign bank notifies the Central Bank about his election as a Chairman or Deputy Chairman of the Board within 10 working days after the respective changes have happened, attaching a respective note, where the dates of making decision by the competent body and making the change are mentioned.

200. The registration of a person as a manager is rejected, if:

- 1) any of the cases, defined by Article 22 of the Law of the Republic of Armenia “On banks and banking” is in place,
- 2) the person cannot occupy that position pursuant to the “Guideline on acquisition of significant participation, acquisition of other participation or acting as a manager in the bank, acquiring significant participation in the insurance company, acting as a manager in the insurance company, acting as a responsible person in the insurance brokerage company, acquiring significant participation or acting as a manager in the investment company, the operator of the regulated market, the Central depository”, approved by decision of the Board of the Central Bank No 114-N as of 25 March 2003,
- 3) the documents, submitted by the person, were incomplete, invalid, inconsistent with the requirements of laws, other legal acts, including the requirements, set by the Central Bank,
- 4) the person is affiliated with the managers of the given bank (only for the candidates of employees of internal monitoring unit).

CHAPTER 30. THE PROCEDURE OF REMOVING THE REGISTRATION OF THE MANAGERS

201. Pursuant to the decision of the Central Bank, a manager is being removed from registration:

- 1) if the qualification certificate of the manager has been revoked,
- 2) if the bank or the branch of the foreign bank has applied with the respective request,
- 3) if the activity of the bank's branch has been terminated (for the managers of the given branch of the bank),
- 4) if the circumstances, defined by Article 22 of the Law of the Republic of Armenia "On banks and banking" have been identified,
- 5) from the moment of appointment of the Liquidator of the bank.

202. In order to remove the manager from the registration at the Central Bank with a request of the bank or the branch of the foreign bank, the bank or the branch of the foreign bank submits the following documents to the Central Bank within 10 working days after entering into force of the decision, approved by the competent body of the bank or the branch of the foreign bank, about removal from registration (except for the cases, when the bank or the branch of the foreign bank has only one employee of internal monitoring unit, the change about whom is being submitted within 3 working days after entering into force of the respective decision, but not later than the submission of the first report, specified by the Law of the Republic of Armenia "On combating money-laundering and financing of terrorism"):

- 1) the application to remove the manager from registration (with justifications of the reasons for the removal from registration), signed by a person, authorized by the competent management body of the bank or the branch of the foreign bank,
- 2) the decision of the competent management body or an excerpt from the record about making the changes and, if available, appointing a temporary replacement, except for the cases, when then bank or the branch of the foreign bank has only one employee of internal monitoring unit, when simultaneously with submitting the decision of the competent body or the excerpt from the record about removing of the employee, the Central Bank should be submitted with decision of the competent body or the excerpt from the record about appointment of temporary replacement.

(Point 202 was amended by Resolution No 351-N, dated 16.12.14)

203. In case if the qualification certificate of the manager of the bank or the branch of the foreign bank has been revoked, then he may not be registered as a manager of a financial organization within three years from the moment the Central Bank has taken the decision to revoke the manager's qualification certificate.

CHAPTER 31. THE PROCEDURES OF APPOINTING TEMPORARY ACTING MANAGERS AND THEIR EXECUTION

204. The positions of managers of the bank and the branch of the foreign can be occupied by temporary acting managers and (or) stay vacant no more than for 3 months, starting from the moment of factual dismissal of the manager from his/her position by the bank or the branch of the foreign bank.

(Point 204 was amended by Resolution No 351-N, dated 16.12.14)

205. The three-month term, mentioned in point 204 of this Regulation, does not apply to the temporary acting managers, mentioned for the respective positions of the table of this point. If in the cases, mentioned in this point, the temporary acting manager executes more than three months, then the bank is required to notify the Central Bank about it in the written form within three working days after the end of the three-month term.

POSITION	TEMPORARY ACTING MANAGER
1. Executive director, chairman of the executive board of the bank, the branch of the foreign bank	A registered deputy executive director, deputy chairman of the executive board, member of directorship, member of the executive board of the given bank or the branch of the foreign bank
2. Chief accountant of the bank or the branch of the foreign bank	A registered deputy chief accountant of the given bank or the branch of the foreign bank
3. Head of internal audit unit of the bank or the branch of the foreign bank	A registered member of internal audit unit of the given bank or the branch of the foreign bank
4. Manager of the branch of the bank	A registered deputy executive director, deputy chairman of the executive board, member of directorship, member of the executive board of the given bank or the branch of the foreign bank, manager of the branch of the bank

206. The temporary acting manager of the bank or the branch of the foreign bank may not have the qualification for the respective managerial position, except for the temporary acting managers, defined by points 207 and 208 of this Regulation.

207. Only the deputy executive director, deputy chairman of the executive board, member of the executive board, member of directorship of the given bank may act as a temporary acting executive director or temporary acting chairman of the executive board of the bank.

208. Only the deputy chief accountant of the given bank or another employee of the given bank, who has a qualification certificate of a chief accountant or a deputy chief accountant, may act as a temporary acting chief accountant of the given bank.

209. Persons, occupying other positions in the bank (except for the registered members of internal audit unit), as well as parties, affiliated with the members of executive body, may not act as temporary acting head of internal audit unit of the bank and the branch of the foreign bank.

210. Persons, occupying other positions in the bank and the branch of the foreign bank, as well as parties, affiliated with the members of executive body, may not act as temporary acting member of internal audit unit.

211. The three-month period, mentioned in point 204 of this Regulation, shall be effective for all the temporary acting managers appointed at the respective position, meaning that the appointment of a new temporary acting manager at the same position, as well as keeping the position vacant shall not interrupt or restart the three-month period.

212. Positions of temporary acting Chairman of the Board, Deputy chairman of the Board, member of the Board of the bank and dealer, making decision in the bank, are not provided by this Regulation.

PART VI. THE REQUIREMENTS ON THE FACILITY AND TECHNICAL EQUIPMENT

CHAPTER 32. THE REQUIREMENTS ON FACILITIES AND TECHNICAL EQUIPMENT OF THE BANK, THE BRANCH OF THE FOREIGN BANK, TERRITORIAL UNITS OF THE BANK

213. The bank, the branch of the foreign bank and the territorial unit of the bank should have detached facilities, belonging to the bank by property right, leased (sub-leased) or received for a fee-free use.

214. In cases, when based on the prior consent of the Central Bank, the banks have signed a merger agreement, then the requirement of detached facilities among the head offices and territorial units of the merging banks, specified by point 213 of this Regulation, is not mandatory within 6 months, starting from the day of signing of the merger agreement.

215. The bank, the branch of the foreign bank and the branch of the bank (except for the bank branches, locates in custom houses and custom desks) should have:

- 1) Cash vault and operational cash tilt (separated from other structural units of the bank, branch of the foreign bank or the branch of the bank), for carrying out transactions with cash and other valuables, providing cash services to the customers and safe depositing of cash and other valuables. The cash vault with its anteroom is the main vault for keeping cash and other valuables, as well as collateralized valuables and those for safekeeping. In case of the absence of the vault, a cash collection (encashment) agreement shall be signed with the encashment service, for daily transportation and delivery of cash and valuables, as well as an agreement signed with any bank or credit organization, if the aforementioned means will be deposited with that bank, credit organization, or their territorial divisions. The bank, the branch of the foreign bank, the branch of the bank can deposit their cash exclusively with a bank, credit organization or their territorial units. In case if the vault is absent, the bank, the branch of the foreign bank, the branch of the bank might not perform collection (encashment) of cash available in the cash tilt, if the daily balance of cash in the cash tilt does not exceed 5 million Armenian Drams (of equivalent foreign currency, calculated based on the average rate of the given day, formed at the FX

market and published by the Central Bank), and the branch has a special fireproof safe, which is attached to the floor and (or) the wall of the tilt. If the Charter of the bank, the branch of the foreign bank or the branch of the bank stipulates that it shall perform the activities defined in Article 34 of the Republic of Armenia law on “Banks and banking” exclusively cashless, then the existence of the cash tilt is not mandatory.

- 2) a twenty-four-hour fire-alarm automated system, and a twenty-four-hour security alarm working system, whose power nutrition is being conducted through different sources, one of which can be a local one. Furthermore, the twenty-four-hour fire-alarm automated system should be installed at the whole territory of the bank, the branch of the foreign bank and the branch of the bank; and for the head-office of the bank and the branch of the foreign bank it should be connected to the “911” service of the Crisis management center of the Ministry of emergency situations of the Republic of Armenia. Fire extinguishers within the term of validity should be available at the territory of the bank, the branch of the foreign bank and the branch of the bank, in accordance with the area of the facility. The twenty-four-hour security alarm system should be installed at least on all external doors and windows and be connected to the police or a licensed security (guard) service and shall be supported with the respective documentation. If the bank, the branch of the foreign bank and the branches of the bank are located in the areas that have internal twenty-four-hour security (guard) service, or a twenty-four-hour security alarm system, then the twenty-four-hour security alarm system of the bank should be connected to the twenty-four-hour security (guard) service, or the twenty-four-hour security alarm system, and shall be supported with the respective documentation.
- 3) the bank and its branches must be connected with each other through a computer network. The computer network, connecting the branch with the head office, shall be installed after the branch is registered, within the period established by the decision of the Chairman of the Central Bank about the registration of the branch. For those branches, which might not have a chief accountant, pursuant to point 121 of this Regulation, the computer network should be connected to the branch at the moment of submitting the documents required for registration of the given branch. For the bank’s branch, established outside the territory of the Republic of Armenia, the computer network, connecting the branch with the head office, shall be installed after registration of the branch in the foreign country, within the period, specified by the Resolution of the Central Bank on provision of the preliminary consent on establishment of the branch; and for those branches, which pursuant to point 121 of this Regulation, might not have a chief accountant, the computer network should be connected with the branch from the moment of registration in the foreign country.

(Point 215 was amended by Resolution No. 239-N, dated 20.12.16; No. 30-N, dated 03.02.17)

215.1. The requirements, specified by point 215 of this Regulation, might not apply to the bank’s branches, established outside the territory of the Republic of Armenia, if the authority, regulating the

banking system in the given foreign country, has set similar requirements towards the technical equipment of the bank's branch.

(Point 215.1 was added by Resolution No 30-N, dated 03.02.17)

216. The branch of the bank, located in custom houses or custom desks, should have:

- 1) detached facilities, belonging to the bank by property right, by trust management, leased or received for a fee-free use, which must be located in the territory of the custom house or the custom desk. The branch must have a fireproof safe, which must be attached to the floor and (or) the wall.
- 2) an agreement, signed with the encashment service, for transportation and delivery of the mentioned means.

217. Instead of the requirements of technical equipment, defined by sub-points 1 and 2 of point 215 of this Regulation, the bank, the branch of the foreign bank may sign a "Bankers Blanket Bond" (hereinafter, BBB) insurance contract at least for the following risks:

- 1) risks of robbery, theft, burglary, misappropriation, embezzlement, fraud, including the risk of realization of counterfeit cash, securities and payment documents; or the risk of steal of the company's property through providing fake contracts,
- 2) risk of loss or damage of the property of the bank, including the risk of loss or damage of cash, securities, payment documents or other valuable property, located at the facility of the bank or transported.

218. The sum insured by the insurance contract on the risks, mentioned in point 217 of this Regulation, may not be less than 1 percent of the assets of the bank.

219. The non-resident insurance company, providing "Bankers Blanket Bond" (BBB) insurance should have a rating provided by at least one of the international rating agencies and A.M.Best rating agency, which should not be lower than "A-" ("A3").

220. The information technology systems of the bank, the branch of the foreign bank or the branch of the bank should satisfy the requirements of the "Procedure about defining the minimum requirements for ensuring the information security", adopted by the decision No 173-N of the Board of the Central Bank of the Republic of Armenia, as of July 9, 2013.

PART VII. THE PROCEDURE OF SUBMITTING THE CHANGES TO THE CENTRAL BANK

CHAPTER 33. THE PROCEDURE OF SUBMITTING THE CHANGES, SUBJECT TO REGISTRATION, TO THE CENTRAL BANK

221. The banks, the branches of the foreign bank, the representative offices of the foreign bank, operating within the territory of the Republic of Armenia, should submit the following changes to the Central Bank for registration:

- 1) amendments (amendment(s) and (or) supplement(s)) introduced to the Charters, or Charters with a new edition of the bank and the branch of the foreign bank, territorial units (branches, representative offices) of the bank, operating within the territory of the Republic of Armenia,

- 2) changes in the list of managers, subject to registration by the Central Bank, pursuant to this Regulation.

(Point 221 was amended by Resolution No 351-N, dated 16.12.14)

222. In order to register at the Central Bank the amendments introduced to the Charters of the bank, the branch and representative office of the foreign bank, the territorial divisions of the bank, operating within the territory of the Republic of Armenia, the bank, the branches of the foreign bank and the representative offices of the foreign bank submit the following documents:

- 1) the application to register the introduced amendments, signed by the person authorized by the competent management body of the bank, the branch of the foreign bank, the representative office of the foreign bank (the foreign bank),
- 2) the decision of the competent management body of the bank or the branch of the foreign bank (the foreign bank) or an excerpt from the respective record of minutes about the amendments, introduced Charters of the bank or the branch (representative office) of the foreign bank or the bank's territorial units, operating within the territory of the Republic of Armenia,
- 3) the changed provisions (amendment(s) and (or) supplement(s)) introduced to the Charters, or Charters with a new edition of the bank, the branch (representative office) of the foreign bank, the bank's territorial units, operating within the territory of the Republic of Armenia, which should have a cover-page, in accordance with Appendix 26 of this Regulation,
- 4) if the change of the Charter brings to the necessity to release the license and (or) the registration certificate, then it should be mentioned in the application about such necessity, as well as the original version of the old license and (or) registration certificate and the invoice of payments of the state fee should be attached to the application.

(Point 222 was amended by Resolution No 351-N, dated 16.12.14)

223. If the amendments introduced to the Charters of the bank, the territorial division of the bank or the branch (representative office) of the foreign bank, are due to the change of place of activities (location), then in addition to the documents, defined by point 222 of this Regulation, the Central Bank should also be submitted with the copy of state title registration certificate, or the copy of title certificate for the lease (sub-lease) or the copy of title registration of fee-free use of the new facility and the copy of the lease (sub-lease) agreement, approved by the notary (in case of a sub-lease agreement, the copy of the principal lease agreement should be submitted as well). Moreover, the statement of the bank is being mentioned in the application, defined by sub-point 1 of point 222 of this Regulation, that the facility meets the criteria, defined by this Regulation; and in case it is impossible, the obligation of the bank, that within three working days after the moment, the decision of the Central Bank about registration is in force, the compliance will be provided, and the documents, justifying the compliance of facility and technical equipment, will be submitted to the Central Bank.

(Point 223 was amended by Resolution No 351-N, dated 16.12.14)

224. If the amendment of the Charter of the bank is due to the change of the firm name, then in addition to the documents, defined by point 222 of this Regulation, the Central Bank should also be

submitted with the application and other required documents of registration of firm name (the copy of registration certificate of the firm name of the foreign bank, as well as its Armenian translation, approved by a notary), in accordance with the procedure approved jointly by the Board of the Central Bank and the Minister of Justice of the Republic of Armenia, defined by Article 27(1)(c1) of the Law of the Republic of Armenia “On banks and banking”.

225. The changes in the list of managers of the bank, the branch of the foreign bank, the bank’s branches, operating within the territory of the Republic of Armenia, are being registered at the Central Bank pursuant to Chapter 29 of this Regulation.

226. The changes are being registered or the registration of changes is being rejected by the decision of the Central Bank. The decision on registration of amendment of the Charter is being implemented by putting the electronic-digital signature of the Chairman of the Central Bank on the cover-page of the amendment, submitted for registration.

227. The new example of the registration certificate and (or) license is being provided to the bank within 10 working days after the registration of the amendment of the Charter.

CHAPTER 34. THE PROCEDURE OF SUBMITTING THE CHANGES, NOT SUBJECT TO REGISTRATION, TO THE CENTRAL BANK

228. The following changes are being submitted to the Central Bank within 10 working days after the changes have taken place by the bank or the branch of the foreign bank, after getting the license, and by the representative office of the foreign bank, after its registration:

- 1) in case new internal legal acts, regulating activities of the bank or the branch of the foreign bank, have been approved, or the existing internal legal acts have been amended – the newly approved internal legal acts or the amendments of existing internal legal acts and the internal legal acts (regulations, procedures, processes, programs and other similar documents, regulating activities of the bank) including those amendments,
- 2) in case of each change of the facility and technical equipment of the bank or the branch of the foreign bank, defined by Chapter 32 of this Regulation – a note about those changes, which contains a statement, that the changed facility and technical equipment meet the criteria, defined by Chapter 32 of this Regulation,
- 3) in case of amendments of the Charter of the bank’s branch or representative office, founded outside the territory of the Republic of Armenia – the respective amendments,
- 4) in case of dismissal of the Chairman or the Deputy Chairman of the Board of the bank or the branch of the foreign bank – a respective note, where the date of making the decision by the competent management body and the date of implementing the change are mentioned,
- 5) in case of change of the manager of the representative office of the bank or the foreign bank – the statement about the manager, in accordance with Appendix 20 of this Regulation,

- 6) in case of change of the dealer, making decision in the bank – the information about the change of the dealer, making decision in the bank, which at least include:
- a. the number and date of issuance of qualification certificate of the dealer, making decision in the bank,
 - b. the dates of dismissal or acceptance at the given bank of the dealer, making decision in the bank,
 - c. the statement, that the dealer, making decision in the bank, has not been convicted of committing an intentional crime, has not been deprived of the right to fill a post in financial, tax, customs, trade, economic, legal sectors by the court, has not been adjudged insolvent and does not have outstanding liabilities, is not placed into the dock by a law machinery as a criminal suspect, defendant or accused (the statement is not being submitted for the person, dismissing from the position of the dealer, making decision in the bank).

229. In case of changes of information, defined by sub-points 2.3, 3.6, 3.8-3.9, 4.1, 4.3 and (or) points 5-9 of the statement, defined by Appendix 11 of this Regulation, or the information, specified on personal data in Appendix 42 of this Regulation, the bank or the branch of the foreign bank submits the changes within three working days.

(Point 229 was amended by Resolution No 351-N, dated 16.12.14; edited by Resolution No. 239-N, dated 20.12.16)

PART VIII. OTHER PROVISIONS

CHAPTER 35. THE PROCEDURE OF THE GETTING THE PRIOR CONSENT OF THE CENTRAL BANK FOR IMPLEMENTATION OF TRANSACTION OR OPERATION, RELATED TO INVESTMENT ACTIVITY

230. For the purpose of getting the prior consent of the Central Bank on implementation of transactions or operations stated in part 2 of Article 35 of the Law of the Republic of Armenia “On banks and banking” a bank submits the following documents to the Central Bank:

- 1) the application on receiving the prior consent of the Central Bank on implementation of investment transaction in accordance with Appendix 40 of this Regulation,
- 2) the decision of the competent management body of the bank on implementation of a transaction or operation, specified by part 2 of Article 35 of the Law of the Republic of Armenia “On banks and banking”,
- 3) the business plan of the bank on implementation of transactions or operations stated in part 2 of Article 35 of the Law of the Republic of Armenia “On banks and banking”, which shall include information on the probability of achieving success as a result of implementing such transactions or operations. The business plan shall ensure that the intended transaction is compatible with the bank's financial condition and it will contribute to the development of the bank's activities in the financial market, as well as the business plan should contain an analysis on existing and

forthcoming risks and present their management mechanisms. The business plan must be realistic and all the forecasts included in the plan must be justified by concrete calculations,

- 4) the entity's consent on providing its financial statements to bank for the purpose of further submission them to the Central Bank,
- 5) in case of absence of the prospectus (trade prospectus) stated by the Law of the Republic of Armenia "On securities market", the following documents (information) shall be submitted regarding such legal entities in the statutory capital of which the bank intends to acquire a significant participation, and such legal entities, in the statutory capital of which the bank has previously acquired a significant participation, as a result of which, cases stated in part 2 of Article 35 of the Law of the Republic of Armenia "On banks and banking" have occurred:
 - a. the Charter of the legal entity – in case of non-resident legal entity; and the number of state registration certificate – in case of resident legal entity,
 - b. financial statements of the legal entity for the last three years and the latest interim financial statement (legal entities operating less than three years, shall submit the above-mentioned statements for the entire operational period). Moreover, the financial statements of the last financial year are being submitted with an independent audit opinion.

(Point 230 was amended by Resolution No. 239-N, dated 20.12.16)

231. The documents (information), required by sub-point 5 of point 230 of this Regulation, are not being submitted, if the given legal person is an entity, supervised by the Central Bank, which submits to the Central Bank the documents, required by sub-point 5 of point 230 of this Regulation, at frequency and order, specified by law or other legal acts.

232. The bank may get the prior consent of the Central Bank about the intended transaction in cases, specified by part 2 of Article 35 of the Law of the Republic of Armenia "On banks and banking", if:

- 1) inaccurate or false data has not been presented in the submitted documents,
- 2) the bank has not violated the main prudential standards within one year preceding the day of submitting the application on getting the prior consent to the Central Bank,
- 3) the given transaction is compatible with financial state of the bank,
- 4) the given transaction will contribute to the development of the bank in the financial market,
- 5) the grounds, stated by part 3 of article 35 of the Law of the Republic of Armenia "On banks and banking" are not in place,
- 6) as a result of the given transaction, no undue risks will arise for the bank and the bank will have respective organizational resources for conduction of the given transaction.

(Point 232 was amended by Resolution No. 239-N, dated 20.12.16)

233. In case of not implementing a transaction within three months after getting the consent of the Central Bank, pursuant to this Chapter, the consent is considered as not given.

CHAPTER 36. THE PROCEDURE OF PROVIDING FINANCIAL OPERATIONS OUTSIDE THE FACILITY OF THE BANK

234. The banks and the branches of the foreign banks, operating within the territory of the Republic of Armenia, may perform provision of loans and (or) collection of loans outside their facilities, if all the following conditions are simultaneously satisfied:

- 1) provision of loans and/or collection of loans is carried out in the rural communities of the Republic of Armenia,
- 2) transportation of cash from the bank or the bank's branch to the rural communities and back, is done if accompanied with an armed policeman, or through a money collector, based on the agreement signed with the Republic of Armenia police or a money collection (encashment) service.
- 3) the bank notifies the Central Bank, in the written form, about its decision to start of finish its activity, mentioned in this point, in the rural communities, within 3 working days after making the respective decision. Moreover, the copies of the respective agreement signed with the Republic of Armenia police or a money collection (encashment) service are being attached to the written notification about starting the activity, mentioned in this point, at the rural community.
- 4) Immediately after expiration of the period of validity of the agreements, signed with the Republic of Armenia police or money collection (encashment) service, mentioned in this point, the bank should extend the period of validity of the signed agreement or sign a new one. The document, confirming the extension of validity of the agreement, or the new agreement should be submitted to the Central Bank within 15 days.
- 5) the daily amount of cash available at one group, consisting of the bank's employees and armed policeman or money collector, may not exceed 5 million Armenian Drams.

CHAPTER 37. TRANSITIONAL PROVISIONS

235. Point 4 of this Regulation shall enter into force on January 7, 2015. Until then, the application about registration of the managers or the change of list of managers of the bank, and other documents required by this Regulation within that process, are being submitted in electronic form, by CBA-Net network, and in case of impossibility, by electronic drivers. Moreover, the statements about the managers are being submitted in "excel" format, and other documents, mentioned in this point, are being submitted in "pdf" format.

236. The requirements of paragraph 7 of the table of point 179 of this Regulation do not apply to the head and members of internal audit unit, registered before this decision has entered into force.

237. The bank and the branch of the bank, operating at the moment of entering of this decision into force, must satisfy the requirements, set over the facility and technical equipment, defined by Chapter 32 of this Regulation, within 3 months after entering of this decision into force. Until then, they must meet the following requirements:

- 1) The bank (except for the bank branch, located at the territory of the customs house, customs desk) or the territorial division of the bank should have:
 - a. detached facilities, belonging to the bank by property right, leased (sub-leased) or received for a fee-free use. In cases, when based on the prior consent of the Central Bank, the banks have signed a merger agreement, then the requirement of detached facilities among the head offices and territorial units of the merging banks is not mandatory within 6 months, starting from the day of signing of the merger agreement.
 - b. cash vault and operational cash tilt for carrying out transactions with cash and other valuables, providing cash services to the customers and safe depositing of cash and other valuables. The cash vault with its anteroom is the main vault for keeping cash and other valuables, as well as collateralized valuables and those for safekeeping. In case of the absence of the vault, a cash collection (encashment) agreement with the encashment service is necessary, for daily transportation and delivery of the mentioned means, as well as an agreement signed with any bank, if the aforementioned means will be deposited with that bank or the territorial divisions of that bank. In case if the vault is absent, the bank might not perform collection (encashment) of cash available in the cash tilt, if the daily balance of cash in the cash tilt does not exceed 5 million Armenian Drams, and the branch has a special fireproof safe, which is attached to the floor and the wall of the tilt. If the Charter of the bank, the branch of the foreign bank or the territorial division of the bank stipulates that it shall perform the activities defined in Article 34 of the Republic of Armenia law on “Banks and banking” exclusively cashless, then the existence of the cash tilt is not mandatory.
 - c. a twenty-four-hour fire-control system, and a twenty-four-hour security alarm system. Furthermore, the twenty-four-hour fire-control system should be connected to the competent organization and the twenty-four-hour security alarm system should be connected to the police or a licensed security (guard) service and shall be supported with the respective documentation. If the branches of the bank are located in the areas that have internal twenty-four-hour security (guard) service or a twenty-four-hour security alarm system, then the twenty-four-hour security alarm system of the bank should be connected to the twenty-four-hour security (guard) service or the twenty-four-hour security alarm system, and shall be supported with the respective documentation.
 - d. the bank, the branch of the foreign bank or the territorial division of the bank must be connected with each other through a computer network. The computer network, connecting the branch with the head office, shall be installed after the branch is registered, within the period established by the decision of the Chairman of the Central Bank about the registration of the

branch. For those branches, which might not have a chief accountant, the computer network should be connected to the branch at the moment of submitting the documents required for registration of the given branch.

- 2) The branch of the bank, located in custom houses or custom desks, should have:
 - a. detached facilities, belonging to the bank by property right, leased or received for a fee-free use, which must be located in the territory of the custom house or the custom desk. The branch must have a fireproof safe, which must be attached to the floor and (or) the wall.
 - b. an agreement, signed with the encashment service, for transportation and delivery of the mentioned means.
- 3) Instead of the requirements of technical equipment, defined by sub-point 1 of this Regulation, the bank, the branch of the foreign bank may sign a "Bankers Blanket Bond" (hereinafter, BBB) insurance contract at least for the following risks:
 - a. risks of robbery, theft, burglary, misappropriation, embezzlement, fraud, including the risk of realization of counterfeit cash, securities and payment documents; or the risk of steal of the company's property through providing fake contracts,
 - b. risk of loss or damage of the property of the bank, including the risk of loss or damage of cash, securities, payment documents or other valuable property, located at the facility of the bank or transported.

The sum insured by the insurance contract on the mentioned risks may not be less than 1 percent of the assets of the bank.

The non-resident insurance company, providing "Bankers Blanket Bond" (BBB) insurance, should have a rating provided by at least one of the following international rating agencies, which should not be lower than:

- | | |
|-------------------------|------|
| - Standard and Poor's - | "A-" |
| - Moody's - | "A3" |
| - A.M.Best - | "A-" |
| - Fitch - | "A-" |

- 4) The facility and technical equipment of the bank's territorial division, operating abroad, should satisfy the stricter of the requirements on facility and technical equipment, set by the Central Bank and the foreign supervisory body.
- 5) The bank, the branch of the bank, the branch of the foreign bank, when carrying out foreign currency exchange operations, should place the panel reflecting the exchange rates inside its facility. The bank, the branch of the bank, the branch of the foreign bank places the panel reflecting exchange rates inside its facility in a way so that it cannot be seen from outside of the closed area. In case there is a panel outside the bank, it shall reflect only the name of the licensed person, the license number, working days and hours.

238. Those employees of the bank, who have been performing as employees of internal monitoring unit at the moment of entering into force of the decision of the Board of the Central Bank No

83-N as of 29 March, 2011 “On considering as bank managers and adopting supplements and amendments in the decision of the Boards of the Central Bank of the Republic of Armenia No 145-N as of 12 April, 2005”, and are going on performing the mentioned liabilities till the moment of entering into force of this Regulation, are considered as registered by the Central Bank.

Appendix 1

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

**APPLICATION
FOR OPENING A SAVING ACCOUNT**

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

We would like to ask you to open a saving account for _____
(full name of the organization(founding organization))
in order to replenish the statutory capital, pursuant to the law and other legal acts.

The person(s), having the right to give a payment order, is (are):

(name, surname, middle name, passport data, signature)

(name, surname, middle name, passport data, signature)

(name, surname, middle name, passport data, signature)

We would like to ask you, in case of rejection of registration of the bank by the Central Bank, licensing or rejection of licensing, registration of the amendment of the Charter or rejection of the registration, to transfer the funds, available on the saving account opened at the Central Bank, to the following account:

(name of the bank, account number)

(other notes in discretion of the authorized person (persons))

Authorized person (persons)

(the name, surname, signature of the person, authorized by the organization (founding organization))

(the name, surname, signature of the person, authorized by the organization (founding organization))

(the name, surname, signature of the person, authorized by the organization (founding organization))

_____ 20____

Appendix 2

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

Application for Getting the Prior Approval for Licensing of Banking Activity

To: Mr. _____
Chairman of the Central Bank of
the Republic of Armenia

Dear Mr. _____

We (me), the undersigned persons (person), have made a decision to found the
_____,
(*legal-organizational form and the name of the bank*)

We (I) would like to ask you to grant the prior approval of the Central Bank of the Republic of Armenia for licensing the banking activity.

In accordance with the laws and other legal acts of the Republic of Armenia, we (I) submit the attached documents, necessary for the prior approval of getting the banking license (attached, ____ pages).

We (I) submit the information (name, surname, phone number, postal address, e-mail address) of the contact person (persons) of the founding bank:

We (I), the undersigned, would like to assure you that we (I) have reviewed in detail the information, included in each of the document, attached to the application. We (I) would like to assure you, that the provided information is reliable and comprehensive, furthermore we (I) realize that submission of a false document or information will lead to criminal, administrative and disciplinary responsibility, defined by law.

Persons (person), initiating the foundation of the credit organization

Signature	Name, surname (company name)	Passport data, social services number (TIN)
_____	_____	_____
_____	_____	_____

_____ 20____

Appendix 3

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

Application for Getting the Prior Approval for Licensing of Banking Activity

To: Mr. _____
Chairman of the Central Bank of
the Republic of Armenia

Dear Mr. _____

The _____ of _____
(name of the competent management body) *(name of the foreign bank)*
has made a decision to found a branch within the Republic of Armenia.

We would like to ask you to grant the prior approval of the Central Bank of the Republic of Armenia for licensing the banking activity.

In accordance with the laws and other legal acts of the Republic of Armenia, we submit the attached documents, necessary for the prior approval of getting the banking license (attached, ____ pages).

We would like to assure you that we have reviewed in detail the information, included in each of the document, attached to the application. We would like to assure you, that the provided information is reliable and comprehensive, furthermore we realize that submission of a false document or information will lead to criminal, administrative and disciplinary responsibility, defined by law.

Persons (person), initiating the foundation of the credit organization

(name, surname of the authorized person of the foreign bank)

(signature)

_____ 20____

Appendix 4

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

A SAMPLE OF THE BUSINESS PROGRAM FOR THE BANK OR THE BRANCH OF THE FOREIGN BANK

Section 1. General Provisions

Section 2. Trends of Financial Development Prospects

Section 3. Description of Potential Investment Markets

Section 4. Main Instruments on Attraction of Funds

Section 5. Methods to Improve Competitiveness

Section 6. Internal Organizational Structure of the Bank and Principles of Management

Section 7. Capital, Calculation of Income and Expenses

Section 8. Assessment of Potential Risks

Section 9. Board Oversight Over Implementation of the Business Program

Section 10. Alternative Business Program (not mandatory, to be submitted at the Central Bank’s request)

Section 11. Other provisions

Sub-Appendixes

Section1. General Provisions

1. The business program of the bank or the branch of the foreign bank (hereinafter, bank) is a document, describing and justifying the bank’s economic activity and internal organizational structure, justified by concrete calculations, analysis and starting data, prepared for the year of submission of the program and for two full up-coming financial years.
2. General provisions of the bank’s business program shall reflect:
 - 1) the name and place of location of the newly-founded bank;
 - 2) backgrounds for the establishment of the bank by the founders (initiative group);
 - 3) mission of the bank;
 - 4) objectives of the bank;
 - 5) legal and organizational form of the bank (for the branch of the foreign bank – the legal-organizational form of the founder bank);
 - 6) the list of participants of the bank and the size of participation;
 - 7) the list of the suggested managers of the bank.

Section 2. Trends of Financial Development Prospects

3. This section describes:
- 1) main directions of the bank's business activities, the list of the planned financial operations, and their short description;
 - 2) implementation of new types of services in the financial market by the bank (if any);
 - 3) possible subsidiaries of the bank, operations, provided by them;
 - 4) the expected role, share of the bank in the market, the area of servicing;
 - 5) the description and assumed number of potential customers of the bank, names of large clients;
 - 6) the list of the planned branches of the bank, their place of location (only for the resident banks);
 - 7) the prospects of development and enlargement of the bank, including opening of additional branches, merger with other organizations and/or their acquisition (only for the resident banks);
 - 8) activities of the legal persons affiliated with the bank, their organizational structure, interrelations of the bank with the affiliated legal persons;
 - 9) the operations performed by the credit organization and its affiliated persons (for example, funding of the affiliated persons by the bank), if such are planned;
 - 10) the planned directions of placement of funds, types of activities (investments in securities, different types of crediting etc.), describe their peculiarities, terms of placement of funds, assess the competitiveness of the bank from the point of view of the placement of funds;
 - 11) the crediting programs of the bank (such as, program on mortgage loans, etc.). Inform about the credit organization's intention to provide risky credits (incompliant borrowers, provision of blank credits, etc.), describe the process, if available;
 - 12) in case of involvement of intermediary organizations (for example, shops, car-dealer, etc.) in providing the banking operations, the procedure of implementation of such kind of transactions, their scope, planned volume (in money amount), terms of crediting, other necessary information.

Section 3. Description of Potential Investment Markets

4. The analysis of potential markets should be based on numerical data and other actual indicators. The program should also indicate the sources of information, the grounds and preconditions of economic, competition and other types of assumptions and forecasts.
5. This section describes:
- 1) those financial markets (target markets) where the bank is planning to carry out its activities, in particular:
 - a. economic characteristics of the market (capacity, profitability of a particular sector, etc.), prospects of long-term development;
 - b. forecast of business activities of the bank in markets (for example, loan market, crediting market, securities market), the quantitative and qualitative assessment;
 - c. territorial coverage of the market;

- d. possibilities of implementation of new types of instruments and introduction of new types of services in market by the bank (if planned).
- 2) reliance of the bank's target markets and the projected customers on the other sectors of economy, developments trends of those sectors;
- 3) a three-year forecast on change of the economic environment, in particular from the point of view of inflation, unemployment, interest rate levels, fiscal and monetary policies.
- 4) the most probable scenarios of changes of the economic environment, and assessment of the possible economic recessions and their impact on the bank;
- 5) how the possible changes in the economy may affect the bank's target markets, as well as their possible impact on the operations performed by the bank and the provided services.

Section 4. Main Instruments on Attraction of Funds

6. This section describes:

- 1) the main instruments for the attraction of funds (deposits and other), provide their description (if possible, by the average amount and maturity), terms of attraction of funds (interest rates, etc.), assess the bank's competitiveness from the point of view of attraction of funds;
- 2) main sources and methods of attracting borrowings, provide the assessment of competitiveness in the borrowings' market, methods of surviving the competitiveness;
- 3) the plans of providing services through the internet;
- 4) the advertisement strategy of the bank (frequency of advertisements, their types, etc.), with the view to capturing the target market, creating a trademark, etc.;
- 5) the marketing expenses, necessary for capturing the target market.

Section 5. Methods to Improve Competitiveness

7. This section shall compare services provided by the bank in target market (markets) and its marketing strategies with those of the main competitors of the bank in a particular market, justify the competitiveness of the bank, as well as describe:
- 1) the comparative advantages and disadvantages of the bank compared with its main competitors (such as price policies, reputation, market share, etc.);
 - 2) methods of improving the competitiveness;
 - 3) the potential competitors of the bank in the target market.

Section 6. Internal Organizational Structure of the Bank and Principles of Management

8. This section shall describe:

- 1) the internal organizational structure of the bank, the names and the main functions of the structural divisions and services, the interaction between them, the number of the bank's managers and staff: moreover, the provided organizational structure should be justified from the point of view of implementation of this business program by the bank;
- 2) the management bodies of the bank (the general meeting of shareholders, the board, the executive body, the executive board), and the interaction between them, the authorities and responsibilities of the management bodies (only for resident credit organizations);
- 3) the approximate structure of the management bodies;
- 4) the activities, rights and responsibilities of the committees established by the Board of the bank (e.g. investment, credit, etc.);
- 5) the main principles of the work organization, and the requirements on ethics;
- 6) the planned amount and type of compensation of the Board members of the bank (only for resident banks);
- 7) the salaries of the bank's executive managers and employees, by job positions;
- 8) the programs aimed at improving the quality of performance of the bank's management and staff, such as the programs of the staff training, etc.;
- 9) the internal control system of the bank, the plans of implementation of accounting and payment-settlement systems, including the electronic-information systems;
- 10) the program of measures on technical upgrading and introduction of banking technologies;
- 11) informational flows within the bank, including the system of reporting,
- 12) the functions of the internal audit, including the detailed description of measures for ensuring the independence of the internal audit unit, the scope and the frequency of audits;
- 13) the requirements relating to the staff of the internal audit unit, proficiency and work experience of the auditors;
- 14) all the procedures and measures that are implemented with the view of ensuring the compliance of the bank's activities with the requirements of the legislation, other legal acts of the Republic of Armenia, as well as the bank's internal regulations (policies, by-laws, etc.);
- 15) the measures taken in response to the complaints of the customers of the bank;
- 16) the principles of selection of an independent audit company.

Section 7. Capital, Calculation of Income and Expenses

9. This section describes:

- 1) the target size and structure of the bank's capital, the ways to accomplish it, as well as the programs aimed at meeting the requirements on regulatory capital;
- 2) the capitalization strategy of the bank (including domestic and foreign sources for financing the planned amount of the total capital, and the main measures aimed at ensuring compliance with the capital adequacy);

- 3) the planned level of profitability and the strategy aimed at achieving the planned return on assets, net percentage margin or other profitability criteria;
- 4) a three-year forecast on incomes and expenses, based on the results of markets analysis (Sub-appendix 1);
- 5) given the provided financial projections, to assess the impact of internal and the external risks over capital adequacy;
- 6) the policies on distribution of dividends.

Section 8. Assessment of Potential Risks

10. For credit risk, the followings are presented:

- 1) broad description of the bank's credit portfolio (e.g. breakdown by sectors and maturities), programs on credit risk management (risk identification, assessment and control, etc.), the assessment of acceptable level of risk;
- 2) the bank's credits assessment programs, in particular from the point of view of ensuring the impartiality and enhancing the skills of the staff;
- 3) the process, frequency and framework of credit portfolio quality assurance;
- 4) the main principles of classification of credits and other receivables, and formation of loan loss reserves;
- 5) the methodology of assessing the creditworthiness of the borrower.

11. For liquidity risk the followings are presented:

- 1) the bank's liquidity (assets and liabilities management) strategy;
- 2) the bank's programs on liquidity risk management (identification, assessment and control of risks), the assessment of acceptable level of risk;
- 3) the approaches of attraction of funds by the bank from the parties, affiliated with the bank (non-participants), including their amount, the acceptable level of interest rates and other conditions;
- 4) the structure of the planned assets and liabilities by the maturity periods;
- 5) the methods of managing the maturity gap between attracted and allocated funds.

12. For market risk the followings are presented:

- 1) the main directions of the investment policy (investments in government and non-government securities, bonds, etc.), programs on market risk management (identification, assessment and control of risks), assessment of the acceptable level of risk;
- 2) foreign exchange operations, programs on foreign exchange risk management (identification, assessment and control of risks), assessment of the acceptable level of risk;

- 3) the bank's portfolio of assets and liabilities, which are exposed to market risk, and the impact of possible changes of price on the profitability, capital and net value of portfolio;
- 4) the use of hedging instruments (such as futures, options, interest rate swaps, etc.) by the bank.

13. Other risks, important for the bank, are also being described in this section.

Section 9. Board Oversight Over Implementation of the Business Program

14. This section describes:

- 1) the process of monitoring the execution of the business program by the Board of the bank;
- 2) the procedure of introducing changes in the business program by the Board of the bank.

Section 10. Alternative Business Program (not mandatory, to be submitted at the Central Bank's request)

15. The alternative business program should describe the activities undertaken by the bank in case of unfavorable changes of market conditions. The alternative business program should include the strictest processes of risk management. It should include the approaches for boosting the bank's capital in future in case of a need, as well as the procedure of formation and use of the bank's emergency reserves. The program should describe the methods for ensuring financial protection of the bank in case if unexpected losses occur.

Section 11. Other Provisions

16. The business program of the bank should be revised in consistently with the changes of environment.
17. If the respective forms for submission are not defined for information, required by this Regulation, it can be submitted in a free style.
18. Use of stress-tests while implementing the main forecasts during the financial projections is desirable.
19. It is necessary to describe the facility and technical equipment, acquired or leased for the bank's activity by the moment of the bank's licensing.
20. Attached to the business program, there should be:
 - 1) capital calculation of the bank for the up-coming three years (Sub-appendix 1);
 - 2) draft balance sheet calculation for the up-coming three years (Sub-appendix 2);
 - 3) projection of incomes and expenses for the up-coming three years (Sub-appendix 3);
 - 4) the list of future managers of the bank, short CV;
 - 5) statement on all the financial and property liabilities of the bank's future managers and their affiliated persons, including the outstanding and restructured liabilities.

21. The business program can contain also such information, which is not required by this Appendix, but is considered as important by the initiators.

CAPITAL CALCULATION OF THE BANK
(projection)

(thousand Drams)			
CAPITAL			
	1st Year 1	2nd Year	3rd Year
Core Capital			
Statutory capital			
General reserve			
Retained profit			
Total core capital			
Additional Capital			
Revaluation reserves			
The reserve for foreign exchange fluctuations emerged during the balance sheet consolidation			
Other reserves			
Long-term subordinate borrowings			
Total additional capital			
Total capital (core capital + additional capital)			
Qualitative assessments			
1. “Core capital/risk-weighted assets” ratio (%)			
2. “Total capital/risk-weighted assets” ratio (%)			
2. “Core capital/average total assets” ratio			

DRAFT BALANCE SHEET CALCULATIONS
(projections)

(thousand Drams)			
ASSETS			
	Year 1	Year 2	Year 3
Cash funds			
Balance amounts at the Central Bank			
Correspondent accounts			
Financial assets available for trading purposes			
Claims towards banks and other financial organizations			
REPO agreements			
Financial assets, available for sale			
Credits and other loans provided to customers			
Receivables against other operations, including:			
letters of credit and banking guarantees			
financial leasing			
dividends receivable			
Receivables and prepayments			
Investments held to maturity			
Investments in statutory capital of other persons			
Fixed assets (less amortization and depreciation)			
Intangible assets (less amortization and depreciation)			
Other assets			
Total assets			
LIABILITIES			
Liabilities			
Liabilities to the Central Bank of the Republic of Armenia			
Deposits attracted and loans received from banks			
Correspondent accounts			
Liabilities to other depositors			

Securities, issued by the bank			
Payables and transit accounts			
Reserves			
Sub-ordinated debt			
Other liabilities			
Capital			
Statutory capital			
Repurchased and non-paid capital			
General reserve			
Retained profit			
Other comprehensive income			
Other items of capital			
Total liabilities			

Appendix 4
Sub-appendix 3

Calculation of income and expenses
(projections)

(thousand Drams)				
		Year 1	Year 2	Year 3
1	Interest income from:	x	x	x
1.1	Correspondent accounts			
1.2.	Placements with the Central Bank of the Republic of Armenia			
1.3.	Placements with commercial banks and other financial organizations			
1.4.	Provided credits			
1.5.	Overdrafts and overnights			
1.6.	Credit cards			
1.7.	Loans provided to the parties, affiliated with the bank, and the employees of the bank			
1.8.	Interest on the RA Treasury bills, including from securities managed under repurchase agreements			
1.9.	Interest on other securities			
1.10.	Financial leasing			
1.11.	Other interest income			
Total interest income				
2.	Interest expenses	x	x	x
2.1.	Interest paid on correspondent accounts, demand deposits and other demand liabilities			
2.2.	Interest paid on borrowings, received from the Central Bank of the Republic of Armenia			
2.3.	Interest paid on REPO agreements			
2.4.	Interest paid on loans and borrowings attracted from banks			

	and other financial organizations			
2.5.	Interest paid on attracted term deposits			
2.6.	Interest paid on borrowings from international financial organizations			
2.7.	Interests paid on overdrafts, overnights			
2.8.	Interest expenses on securities issued by the bank			
2.9.	Interest paid on leasing			
2.10.	Interest expenses on deposit insurance			
2.11.	Interest paid on sub-ordinate loans			
2.12.	Other interest expenses			
Total interest expense				
Net interest income				
3.	Non-interest income	x	x	x
3.1.	Commissions received			
3.2.	Income from guarantees, letters of credit and trust management operations			
3.3.	Income on treasury services			
3.4.	Net income on derivative instruments			
3.5.	Net income on factoring			
3.6.	Income on investments in other organizations			
3.7.	Net income on sale of securities			
3.8.	Net income on resale of securities purchase through REPO agreements			
3.9.	Net income on trade of foreign exchange			
3.10.	Positive (negative) FX difference resulting from revaluation of foreign currency			
3.11.	Net income on disposition of fixed assets			
3.12.	Net income on revaluation of fixed assets			
3.13.	Net income on revaluation of financial assets at fair value through profit and loss and available-for-sale			
3.14.	Received fines and penalties			
3.15.	Other non-interest income			

Total non-interest income				
4.	Non-interest expenses	x	x	x
4.1.	Calculated salaries and other equipollent payments			
4.2.	Business trip expenditures			
4.3.	Contributions to the RA Social Insurance Fund			
4.4.	Taxes, duties and other mandatory payments			
4.5.	Amortization deductions			
4.6.	Payment for rent of buildings and other fixed assets			
4.7.	Expenses on economic maintenance of buildings			
4.8.	Expenses on provision and return of loans			
4.9.	Advertisement and representative expenses			
4.10.	Expenses on audit and consulting services			
4.11.	Expenses on servicing and maintenance of computer software and equipment			
4.12.	Transportation expenses			
4.13.	Expenses on communication			
4.14.	Paid fines and penalties			
4.15.	Training expenses			
4.16.	Other non-interest expenses			
Total non-interest expenses				
Net non-interest income				
5.	Contributions for asset loss reserves	x	x	x
5.1.	Contributions for general reserves of loss on loans and receivables			
5.2.	Contributions for special reserves of loss on loans and receivables			
5.3.	Contributions for securities loss reserves			
5.4.	Contributions for loss reserves for guarantee and other contingent liability			
Total contributions				

6.	Repayment of contributions for asset loss reserves	x	x	x
6.1.	Repayment of contributions for general reserves of loss on loans and receivables			
6.2.	Repayment of contributions for special reserves of loss on loans and receivables			
6.3.	Repayment of contributions for securities loss reserves			
6.4.	Repayment of contributions for loss reserves for banking guarantee and other contingent liability			
Total repayment				
	Net deductions			
Profit prior to taxation				
Profit tax				
Net profit				
Calculated dividends, including:				
on preferred shares				
on ordinary shares				
Retained profit				

Appendix 5

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT

ABOUT LEGAL PERSONS, AFFILIATED WITH THE BANK OR THE FOREIGN BANK, AS WELL AS ABOUT THE LEGAL PERSONS, AFFILIATED WITH THE PARTIES, AFFILIATED WITH THE BANK AND THE FOREIGN BANK

1. Basis of affiliation (Information about that person is being mentioned here, through which the legal person is considered to be affiliated)

Name,(name, surname, passport data) of the person _____

2. Information on the affiliated legal person (organization)

The affiliation should be considered in accordance with Article 8 of the Law of the Republic of Armenia “On Banks and banking”. Furthermore, when filling the statements, the members of the same family are the parents, spouse and children.

2.1. Name _____

2.2. Place of location _____

2.3.Date of registration _____ Place _____ Number _____
day/month/year

2.4 Type of affiliation _____

3. Information about significant participants of the affiliated legal person (The Central Bank may additionally require the financial statements of the organizations, mentioned in point 3.1).

3.1. Legal persons, having 10 and more percent of voting shares:

Name of the organization	Location	Amount of participation (in Drams)	Participation (%)

3.2. Natural persons, having 10 and more percent of voting shares:

Name, surname, passport data	Place of residency	Amount of participation (in Drams)	Participation (%)

4. Information on the managers (Chairman and members of the Board, executive director and chief accountant) of the affiliated legal person. (The Central Bank may additionally require the Appendix 11 of this Regulation be fulfilled for the managers of the organization)

Name, surname, passport data	Position	Years, worked in the organization (of which, in the current position)
1.		
2.		

5. Other information

5.1 Does the affiliated legal person have liabilities, overdue for 30 days and more?

☐ Yes

☐ No

If “yes”, please provide details

5.2 Any other information that you consider important.

6. I assure that the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law. I agree to notify the Central Bank in case of any change in the information provided above by me.

Name, surname of the person, authorized
by the competent management body of the
bank _____

Signature _____

Day/month/year

Appendix 6

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

STATEMENT
**ABOUT NATURAL PERSONS, AFFILIATED WITH THE BANK AND THE FOREIGN BANK, AS WELL AS
ABOUT THE LEGAL PERSONS, AFFILIATED WITH THE PARTIES, AFFILIATED WITH THE BANK AND
THE FOREIGN BANK**

1. Basis of affiliation (Information about that person is being mentioned here, through which the natural person is considered to be affiliated)
Name (name, surname, passport data) of the person _____
1. Information on the affiliated natural person <i>The affiliation should be considered in accordance with Article 8 of the Law of the Republic of Armenia “On banks and banking”. When filling the statements, the members of the same family are the parents, spouse and children.</i>
2.1. Name, surname _____
2.2. Place of residency _____
2.3. Passport data _____
2.4. Type of affiliation _____
3. Other information
3.1. Does the affiliated natural person have liabilities overdue for 30 days and more? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/>
3.2. Any other information that you consider important.
4. <i>I assure that the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.</i>

I agree to notify the Central Bank in case of any change in the information provided above by me.

Name, surname of the person, authorized
by the competent management body of the
bank

Signature

Date

(day/month/year)

Appendix 7

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT ABOUT PERSONS, HAVING SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE FOREIGN BANK

1. Information about legal persons, states and international organizations, having 10 and more percent of voting shares in the statutory capital of the foreign bank:				
Name of the organization (state)	Location		Amount of participation (in Drams)	Participation (%)
2. Information about natural persons, having 10 and more percent of voting shares in the statutory capital of the foreign bank:				
Name, surname, passport data	Place of residency		Amount of participation (in Drams)	Participation (%)
3. Information about legal persons-indirect significant participants of the foreign bank (The Central Bank may require additional information)				
Name of the organization	Location		The following information about the person, through which the legal person is considered to be an indirect significant participant: name (name, surname, passport data) of the person	The paragraph of point 3 of Article 9 of the Law “On banks and banking” is being mentioned, based on which the person is considered as indirect significant participant

4. Information about natural persons-indirect significant participants of the foreign bank (The Central Bank may require additional information)				
Name, surname, passport data		Place of residency	The following information about the person, through which the natural person is considered to be an indirect significant participant: name (name, surname, passport data) of the person	The paragraph of point 3 of Article 9 of the Law "On banks and banking" is being mentioned, based on which the person is considered as indirect significant participant

5. Does the persons, mentioned in this statement, have liabilities overdue for 30 days and more?

☐ Yes

If "yes", please provide details.

☐ No

6. *I assure that the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.*

We agree to notify the Central Bank in case of any change in the information provided above by us.

Name, surname of the person, authorized by the foreign bank _____

Signature _____ Date _____

(day/month/year)

Appendix 8
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

Application for Registration of Bank

To: Mr. _____
Chairman of the Central Bank of
the Republic of Armenia

Dear Mr. _____

We (me), the undersigned persons (person), initiating the foundation of
_____, have got the prior approval for licensing of
(name, and legal-organizational form of the bank)
banking activity on _____.
(day/month/year)

We (I) would like to ask you to register the bank.

In accordance with the laws and other legal acts of the Republic of Armenia, we (I) submit the attached documents, necessary for the registration of the bank (attached, ___ pages).

We (I) submit the information (name, surname, phone number, e-mail address) of contact person (persons) of the founding bank

Postal address: _____

We (I), the undersigned, would like to assure you that we have reviewed in detail the information, included in each of the document, attached to the application. We would like to assure you, that the provided information is reliable and comprehensive, furthermore we realize that submission of a false document or information will lead to criminal, administrative and disciplinary responsibility, defined by law.

Persons (person), initiating the foundation of the bank

Signature	Name, surname (company name)	Passport data, social services number (TIN)
_____	_____	_____
_____	_____	_____

_____ 20____

Appendix 9
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

Application for Registration of the Branch of the Foreign Bank

To: Mr. _____
Chairman of the Central Bank of
the Republic of Armenia

Dear Mr. _____

_____ has got the prior approval for
(name of the foreign bank)
licensing of banking activity for founding a branch within the territory of the Republic of Armenia on
_____.
(day/month/year)

We would like to ask you to register the branch of the bank.

In accordance with the laws and other legal acts of the Republic of Armenia, we submit the attached documents, necessary for the registration of the branch of the bank (attached, ___ pages).

We submit the information (name, surname, phone number, e-mail address) of contact person (persons) of the registering branch of the bank

Postal address: _____

We assure, there is an agreement (memorandum of understanding) on cooperation in the area of banking supervision between the banking supervisory body of home country of _____
(name of the foreign bank)

bank and the Central Bank.

I assure you that I have reviewed in detail the information, included in each of the document, attached to the application. I would like to assure you, that the provided information is reliable and comprehensive, furthermore I realize that submission of a false document or information will lead to criminal, administrative and disciplinary responsibility, defined by law.

Name, surname, signature of the person,
authorized by the foreign bank _____

_____ 20____

Appendix 10

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

Petition about registration of the manager

To: Mr. _____
Chairman of the Central Bank of
the Republic of Armenia

Dear Mr. _____

We would like to ask you to:

☐ allow _____ to take part in the qualification examination
(*the name, surname of the candidate of the manager*)
(for the managers, passing qualification examination at the Central Bank)

☐ grant a qualification certificate to _____ without (the
name, surname of the candidate of the manager)
checking the qualification through examination

☐ register (for the Board member, also check the professional adequacy)
_____ as _____
(*the name, surname of the candidate of the manager*) (*name of the bank, position of the manager*)

We are presenting attached the information required by legislation of the Republic of Armenia.

We assure, that the abovementioned person satisfies the requirements, defined by laws and regulations of the Republic of Armenia, and his signature, which is attached to the submitted statement about the manager, corresponds to the original.

Name, surname, signature of the person,
authorized by the competent management
body of the bank (foreign bank)

« » _____ 20____

(Appendix 10 was amended by Resolution No 351-N, dated 16.12.14)

Appendix 11

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT

About the manager (responsible person) and his/her activity

Attach your photo here	
<input type="checkbox"/> Please check this box if only the changes are submitted in the statement	
1. Information on the financial institution <i>(please indicate the information about the organization where you will be a manager)</i>	
1.1. The name of the financial institution and the code (if available) (for the managers of a branch, please, indicate also the name of the branch and the code given to the financial institution by the Central Bank)	
1.2 The type of the financial institution <ul style="list-style-type: none"> ○ a bank ○ a branch of a foreign bank ○ a credit organization ○ an insurance company ○ a branch of a foreign insurance company ○ an insurance broker ○ an investment firm ○ a branch of a foreign investment firm ○ an operator of a regulated market ○ the central depository ○ a fund manager ○ a foreign branch of a fund manager ○ Bureau ○ Payment-settlement organization 	
2. Managing position	
2.1 Managing position that you shall occupy in the organization mentioned in point 1.1 <ul style="list-style-type: none"> ○ Member of the (supervisory) Board (board member) ○ executive director (chairman of the executive board, head of the directorship, head of the executive body) ○ deputy executive director (deputy chairman of the executive board) ○ member of directorship (executive board, executive body) 	

- chief accountant
- deputy chief accountant
- head of internal audit
- member of internal audit
- head of department responsible for providing investment services at banks
- chairman (head) of the oversight committee
- deputy chairman (head) of the oversight committee
- member of the oversight committee
- branch manager (executive director)
- chief accountant of a branch
- chairman of the discipline committee of the operator
- head of supervising service of the operator
- member of supervising service of the operator
- natural person executing functions of an insurance broker
- responsible actuary
- a natural person, implementing the activity of fund management on behalf or within a fund manager
- manager of a fund custodian
- an employee of a fund custodian
- an employee of the internal monitoring body of the bank

2.2. Check

- the name of the bank's internal monitoring unit and position, if you are an employee of that unit, or
- not applicable, if you are not an employee of the internal monitoring unit

2.3. Describe the areas of your authorities and liabilities as a manager, in accordance with your job description, employment contract

2.4. Indicate, if you are:

- a natural person, implementing the activity of fund management on behalf or within a voluntary pension fund manager, who performs making and implementation of decisions about investing of fund assets within the investment policy of the fund
- a natural person, implementing the activity of fund management on behalf or within a voluntary pension fund manager, who performs the calculation of the value of the fund's net assets
- a natural person, implementing the activity of fund management on behalf or within a mandatory pension fund manager, who performs making and implementation of decisions about investing of fund assets within the investment policy of the fund
- a natural person, implementing the activity of fund management on behalf or within a mandatory pension fund manager, who performs the calculation of the value of the fund's net assets

3. Personal information

3.1. First name, last name, middle name

3.2 Sex

- male

- female

3.3 Date of birth (day/month/year)

3.4 Place of birth

3.5 Nationality

3.6. Indicate

- Passport data
- Data on other passports in use (in case of existence)
- Data on the old passport (in case of existence)

3.7 Indicate

- Social services number
- Not applicable

3.8 Indicate

- Place of registration
- Place of residence

3.9 Phone number

- Cell:
- Home:

3.10 E-mail address

3.11 Indicate all the previous names, surnames, middle names you had, and the respective periods

First name, Surname, Middle name

Beginning of the period
(day/month/year)

End of the period
(day/month/year)

4. Education, qualification, work experience

4.1

The name of the higher education institution, the name of the international qualification	Address of the higher education institution	Time period of education at the higher education institution (from ... to ...)	Faculty	Profession	Academic degree	The level of international qualification

4.2 How many languages do you know?

- Armenian

- English
- Russian
- other (indicate the language)

4.3 Indicate the following information on the working experience for the last ten years (information on actual working experience should be mentioned, irrespective whether it was mentioned in the employment history or not).

Time periods of admission and dismissal	The name of the organization	Area of activity of the organization	Place of location	Phone number	Position, main responsibilities	Dismissal basis	Check the box, if the data is not mentioned in the employment history

4.4 Provide information (by the moment of submission) on maximum 3 persons who know you personally, who, if necessary, can provide recommendation (guarantee) for you. One of those persons should be from the place of your last work (place of the last work is considered to be the previous organization, where you have worked), and the other two should not be from the organization, where you intend to work, but they should work or should have worked in the financial system

<i>First name, last name</i>	<i>Place of work and its address</i>	<i>Position</i>	<i>Working period in the financial system</i>	<i>Phone number, e-mail address</i>

- Not applicable, if there are no persons, required in this point

5. Other information on the manager (responsible person)

5.1 Have you been adjudged disabled or with limited capacity in conformity with the RA legislation

- No,
- Yes, provide the details

5.2 Have you been convicted of committing an intentional crime?

- No,
- Yes (provide details, including the cases where the conviction was removed or quashed in accordance with the law)

5.3 Have you been deprived of the right to fill a post in financial, tax, customs, trade, economic or legal sectors by a court award?

- ☐ No
- ☐ Yes, provide details

5.4 Have you been adjudged insolvent, or do you have outstanding liabilities?

- ☐ No,
- ☐ Yes, provide details

5.5 Have you been placed into the dock by the national or foreign law machinery as a criminal suspect, defendant, or accused?

- ☐ No,
- ☐ Yes, provide details

5.6 Have you ever been subjected to a criminal liability for committing a crime prescribed by the Criminal Law of the Republic of Armenia or other state's criminal laws.

- ☐ No,
- ☐ Yes, provide details

5.7 Was a financial organization operating in the RA or in a foreign country adjudged insolvent or bankrupt during the period of your term in office, or did the financial performance of the financial organization operating in the RA deteriorate in comparison with the criteria established by the RA Central Bank Board because of your action or inaction?

- ☐ No
- ☐ Yes, provide details

5.8 Was a financial organization registered in RA or in a foreign country adjudged insolvent or bankrupt because of your action or inaction during the period of your term in the office?

- ☐ No,
- ☐ Yes, provide details

5.9 Have you been fined by the Central Bank or a financial organization during the last one year while performing as a manager of the given financial organization?

- ☐ No,
- ☐ Yes, provide details

5.10 Has your qualification certificate been revoked, on the basis and in accordance with respective laws regulating the activity of financial organizations stated in point 1.2?

- ☐ No,

- Yes, provide details

6. Significant participation and affiliation

6.1 Indicate the information, required in the table, about those financial organizations, as well as non-financial organizations that are considered as reporting issuer companies, where you have or during the last five years had significant participation in the statutory capital.

Indicate your participation starting from the largest participation at present.

(Yet, the information indicated in points 6.1-6.3, related to the reporting issuer companies, is filled in only by the managers of investment services providers, the operator of the regulated market, the Central depository, fund custodians, as well as the natural persons, implementing the activity of fund management on behalf or within a fund manager, and the employee of the fund custodian)

<i>The name of a financial organization (a non-financial organization considered as a reporting issuer company)</i>	<i>Time period (In case of the former significant participation, indicate the period of participation)</i>	<i>Participation amount (%)</i>	<i>Number of shares</i>	<i>Total amount (in drams)</i>

- Not applicable, if you do not have or have not had a participation, mentioned in this point

6.2 Indicate the information, required in the table, about those financial organizations, as well as non-financial organizations that are considered as reporting issuer companies, where the parties, affiliated with you, have or during the last five years had significant participation in the statutory capital.

(The affiliation should be considered in accordance with the respective law, regulating the activity of the financial organization, mentioned in point 1.2, and in case of reporting issuer companies, in accordance with the Law of the Republic of Armenia "On securities market". In this regulation, the information about family members is being filled only for the parents, spouse, children, sister and brother (with the joint household)).

Indicate participations starting from the largest participation at present.

<i>The name of a financial organization (a non-financial organization considered as a reporting issuer company)</i>	<i>Time period (In case of the former significant participation, indicate the period of participation)</i>	<i>Participation amount (%)</i>	<i>Number of shares</i>	<i>Total amount (in drams)</i>

- Not applicable, if there is no such affiliated person, mentioned in this point
- Not aware of, if you do not have the information, mentioned in this point

6.3 Indicate

- the following information on affiliated persons who work or have worked in the financial sectors or in a reporting issuer company.

(The affiliation should be considered in accordance with the respective law, regulating the activity of the financial organization, mentioned in point 1.2, and in case of reporting issuer companies, in accordance with the Law of the Republic of Armenia “On securities market”. In this regulation, the information about family members is being filled only for the parents, spouse, children, sister and brother (with the joint household)).

<i>Name, Surname</i>	<i>Time period (for the persons, who have worked previously in the financial system (reporting issuer companies) fulfill the time period of working in the respective financial organization (reporting issuer companies)</i>	<i>Passport data</i>	<i>Type of affiliation</i>	<i>Place of work</i>	<i>Position</i>	<i>Place of residency, phone number (cell and other)</i>

- Not applicable, if there is no such affiliated person, mentioned in this point

7. Cash (or other) liabilities

7.1 Do you have any cash or other liabilities towards the financial organization where you are going to work as manager?

- No
- Yes, provide details (the sum, time period, etc.)

7.2 Do the parties, affiliated with you, have any cash or other liabilities towards the financial organization where you are going to work as manager?

- No
- Yes, provide details (the sum, time period, etc.)
- Not aware of

7.3 Do you have or have you had during the last 5 years any outstanding liabilities towards a financial organization operating within the Republic of Armenia?

- No,
- Yes, provide details (the name of a financial organization, the sum, time period, etc.)

7.4 Do the parties, affiliated with you, have or have had during the last 5 years any outstanding liabilities towards a financial organization operating within the Republic of Armenia?

- ☐ No,
- ☐ Yes, provide details (the sum, time period, etc.)
- ☐ Not aware of

8. Other information

8.1 Indicate

- ☐ the following information on the natural persons affiliated with you (except for the persons indicated in point 6.3)

<i>Name, Surname</i>	<i>Passport data</i>	<i>Type of affiliation</i>	<i>Place of work</i>	<i>Position</i>	<i>Place of residency, phone number (cell and other)</i>

- ☐ Not applicable, if there is no such affiliated person, mentioned in this point

8.2 Indicate

- ☐ the following information on the legal persons affiliated with you.

<i>Name of the organization</i>	<i>Address</i>	<i>Type of affiliation</i>	<i>TIN</i>	<i>Phone number (Cell and other)</i>

- ☐ Not applicable, if there is no such affiliated person, mentioned in this point

9. In your opinion, is there any other important information you would like to mention?

- ☐ No,
- ☐ Yes, provide details

10. Other documents

10.1 This point is filled in only by the board members of a bank

I have met the document called “The Board members activity guide”, defined by Appendix 41 of Regulation 1

- ☐ Yes
- ☐ No

11. I hereby certify that

- a. the information containing in this document is reliable and comprehensive
- b. there are no grounds for rejection of registration of the manager, defined by respective laws and procedures

I hereby agree, that the Central Bank may apply to respective authorities for checking the authenticity of the information, submitted by this statement, protecting the confidentiality of the information.

Date (day/ month/year)

The signature of the manager presented for registration

Attach the sample of the
signature here

(Appendix 11 was amended by Resolution No 351-N, dated 16.12.14; No 239-N, dated 20.12.16)

Appendix 12
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1


COVER-PAGE OF THE CHARTER

<p>APPROVED</p> <p>by decision No _____ on __/__/_____ of</p> <p>_____</p> <p>(name of the competent body of the bank or the branch of the foreign bank)</p> <p>_____</p> <p>(position of the competent person)</p> <p>_____</p> <p>(name, surname, signature)</p>	<p>REGISTERED</p> <p>at the Central Bank</p> <p>Chairman of the Central Bank of the RA</p> <p>_____</p> <p>(signature)</p>
<p>CHARTER</p> <p>_____</p> <p>(full name of the bank (branch or representative office of the bank), the branch of the foreign bank or the representative office of the foreign bank)</p>	

(Appendix 12 was amended by Resolution No 351-N, dated 16.12.14)


Appendix 13
**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and
Qualification in the Area of Activity of Banks”**
Regulation 1

SAMPLE OF REGISTRATION CERTIFICATE OF THE BANK

 THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA	<div style="text-align: right;"><u>Registered</u> by decision of the Chairman of the Central Bank of the RA No _____ of _____</div> <div style="text-align: center; margin-top: 20px;"><u>REGISTRATION CERTIFICATE No ---</u></div> <p style="text-align: center;">Pursuant to the laws of the Republic of Armenia “On banks and banking” and “On the Central Bank of the Republic of Armenia”, this certificate is granted to</p> <p style="text-align: center;">-----bank <i>(name, organizational-legal form)</i></p> <div style="margin-top: 20px;">Place of residency _____</div> <div>Registration number _____</div> <div>Date of registration _____</div> <div>Taxpayer identification number _____</div> <div style="margin-top: 20px;">Chairman of the Central Bank of the Republic of Armenia _____</div> <div style="text-align: right; margin-top: 20px;">«.....» 20</div>
<u>REGISTRATION CERTIFICATE OF THE BANK</u> YEREVAN	

Appendix 14
**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and
Qualification in the Area of Activity of Banks”**
Regulation 1

SAMPLE OF REGISTRATION CERTIFICATE OF THE BRANCH OF THE FOREIGN BANK

 THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA	<div style="text-align: right;"><u>Registered</u> by decision of the Central Bank of the RA No _____ of _____</div> <div style="text-align: center; margin-top: 20px;">REGISTRATION CERTIFICATE No ---</div> <p>Pursuant to the laws of the Republic of Armenia “On banks and banking” and “On the Central Bank of the Republic of Armenia”, this certificate is granted to</p> <p>_____ branch of <i>(name of the branch)</i></p> <p>_____ foreign bank <i>(name, organizational-legal form)</i></p> <p>Place of residency of the branch of the foreign bank _____</p> <p>Registration number _____</p> <p>Date of registration _____</p> <p>Taxpayer identification number _____</p> <p>Chairman of the Central Bank of the Republic of Armenia _____</p> <p style="text-align: right; margin-top: 20px;">«.....» 20</p>
<u>REGISTRATION CERTIFICATE OF THE BRANCH OF THE FOREIGN BANK</u> YEREVAN	

Appendix 15

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and
Qualification in the Area of Activity of Banks”
Regulation 1**

SAMPLE OF THE LICENSE OF THE BANK

	<p>Chairman of the Central Bank of the Republic of Armenia</p> <p>.....</p> <p>-----20-----</p>
<p>License of banking activity No</p> <p>This license is granted to _____</p> <p style="text-align: center;"><i>(full firm name of the bank, the branch of the foreign bank)</i></p> <p>To execute banking activity and financial operations in Armenian Drams and foreign currencies, prescribed by the Law of the Republic of Armenia “On banks and banking”</p> <p style="text-align: right; margin-top: 20px;">State registration number _____</p>	

Appendix 16

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

**APPLICATION FOR REGISTRATION OF A BANK’S BRANCH WITHIN THE TERRITORY OF THE
REPUBLIC OF ARMENIA**

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to found the
(full name of the bank)

a branch within the territory of the Republic of Armenia.

In accordance with the laws and other legal acts of the Republic of Armenia, we submit the attached documents, necessary for the registration of the branch of the bank (attached, ____ pages).

We would like to ask you to register the bank’s branch, pursuant to the legislation of the Republic of Armenia.

☐ We assure that the facility and the technical equipment of _____
(name of the branch)
are in compliance with the requirements, defined by Chapter 32 of Regulation 1, or

☐ We assure that the facility and the technical equipment of _____
(name of the branch)
will be brought into compliance with the requirements, defined by Chapter 32 of Regulation 1 within a _____ period after the registration, and the Central Bank will be submitted with the documents, justifying the compliance of the facility and technical equipment of the branch.

We would like to assure you that we have reviewed in detail the information, included in this application and each of the documents, attached to the application. We would like to assure you, that the provided information is reliable and comprehensive, furthermore we realize that submission of a false document or any omission will lead to responsibility, defined by law, and rejection of the application.

Name, surname, signature of the executive director (chairman of the executive board) of the bank

_____ 20____

Appendix 17

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

A SAMPLE OF THE BUSINESS PROGRAM FOR THE BRANCH OF THE BANK

Section 1. General Provisions

Section 2. The planned financial operations and main directions of activity

Section 3. Description of Potential Markets, Competitiveness

Section 4. Internal Organizational Structure of the Branch

Section 5. Bank’s Oversight Over Implementation of the Business Program

Section 6. Other provisions

Section1. General Provisions

1. The business program of the branch of the bank is a document, describing and justifying the economic activity and internal organizational structure, justified by concrete calculations, analysis and starting data, prepared for the year of submission of the program and for one full up-coming financial year.
2. The business program of the branch of the bank is being approved by the competent body of the mother bank.
3. General provisions of the business program of the bank’s branch shall reflect:
 - 1) the name and place of location of the newly-founded branch of the bank;
 - 2) backgrounds and objectives of establishment of the branch by the parent bank;
 - 3) the description of those markets, where the branch is going to perform its activity;
 - 4) information about providing facility to the branch and its technical equipment;
 - 5) the list of the suggested managers of the branch.

Section 2. The planned financial operations and main directions of activity

4. This section describes:
 - 1) main directions of business activities the bank’s branch, the list of the planned financial operations, and their short description;
 - 2) implementation of new types of services in the financial market by the branch of the bank;
 - 3) the description and assumed number of potential customers of the bank, names of large clients, the servicing area;
 - 4) the prospects of development of the branch.

Section 3. Description of Potential Markets, Competitiveness

5. The analysis of potential markets should be based on numerical data and other actual indicators. The program should also indicate the sources of information, the grounds and preconditions of economic, competition and other types of assumptions and forecasts.
6. This section describes also:
 - 1) the main instruments for the attraction of funds (deposits and other), their description (if possible, by the average amount and maturity), assessment of the branch's competitiveness in the area of servicing from the point of view of attraction of funds;
 - 2) the planned directions of placement of funds, types of activities (investments in securities, different types of crediting etc.), their description, terms of placement of funds, assessment of the competitiveness of the branch from the point of view of the placement of funds;
 - 3) the program of the branch on crediting;
 - 4) the composition and structure of assets and liabilities for up-coming two financial years, share of fixed assets and profitable assets;
 - 5) the measures, aimed at advertising the branch (frequency of advertisements, their types, etc.), the necessary marketing expenses;
 - 6) those areas, markets where the branch is planning to carry out its activities, in particular:
 - a. density of population, construction of new living, trade or cultural premises in the servicing area, accessibility of the branch;
 - b. forecast of business activities of the branch, its quantitative and qualitative assessment;
 - c. possibilities of implementation of new types of instruments and introduction of new types of services in market by the branch.
 - 7) the strategy of the branch in the target market with the main competitors of the branch in the given market;
 - 8) the comparative advantages and disadvantages of the branch compared with its main competitors (such as service quality, list of provided services, etc.), competitiveness of the branch;
 - 9) methods of improving the competitiveness;
 - 10) the potential competitors of the bank in the target market.

Section 4. Internal Organizational Structure of the Branch

7. This section shall describe:
 - 1) the internal organizational structure of the branch, the names and the main functions of the structural divisions and services, the interaction between them, the number of the staff of the branch;
 - 2) the authorities and responsibilities of the managers (executive manager, chief accountant) of the branch;

- 3) the salaries of the branch's executive managers and employees, by job positions;
- 4) the internal control system of the branch;
- 5) the program of measures on technical upgrading and introduction of banking technologies;
- 6) informational flows within the head office of the bank and the branch, including the system of reporting,
- 7) the scope and the frequency of internal auditing at the branch;
- 8) all the procedures and measures that are implemented with the view of ensuring the compliance of the branch's activities with the requirements of the legislation, other legal acts of the Republic of Armenia, as well as the requirements of internal acts (policies, by-laws, etc.), regulating the activity of the bank (or the branch of the foreign bank);
- 9) the measures taken in response to the complaints of the customers of the branch.

Section 5. Bank's Oversight Over Implementation of the Business Program

8. This section describes:

- 3) the process of monitoring the execution of the business program by the bank;
- 4) the procedure of introducing changes in the business program by the Board.

Section 11. Other Provisions

9. The business program of the branch should be revised in consistently with the changes of environment. The revised version of the program should be submitted to the Central Bank within 10 working days after its approval by the Board of the bank.
10. If the respective forms for submission are not defined for information, required by this Appendix, it can be submitted in a free style.
11. Use of stress-tests while implementing the main forecasts during the financial projections is desirable.
12. It is necessary to describe the facility and technical equipment, acquired or leased for the bank's activity by the moment of the registration of the branch.
13. Attached to the business program, there should be:
 - 1) draft balance sheet calculation for the up-coming two years (Sub-appendix 1);
 - 2) projection of incomes and expenses for the up-coming two years (Sub-appendix 2);
 - 3) the list of suggested managers of the branch, short CV;
 - 4) statement on all the financial and property liabilities of the branch's managers and their affiliated persons, including the outstanding and restructured liabilities.
14. The business program can contain also such information, which is not required by this Appendix, but is considered as important by the initiators.

DRAFT BALANCE SHEET CALCULATIONS
(projections)

(thousand Drams)		
ASSETS		
	Year 1	Year 2
Cash funds		
Settlements between the bank and its branches		
Financial assets available for trading purposes		
Claims towards banks and other financial organizations		
Financial assets, available for sale		
Credits and other loans provided to customers		
Receivables against other operations including:		
Receivables and prepayments		
Investments held to maturity		
Fixed assets (less amortization and depreciation)		
Intangible assets (less amortization and depreciation)		
Other assets		
Total assets		
LIABILITIES		
Deposits attracted and loans received from banks		
Settlements between the bank and its branches		
Liabilities to other depositors		
Payables and transit accounts		
Reserves		
Other liabilities		
Retained profit		
Revaluation reserves		
Other reserves		
Total liabilities		

Appendix 17
Sub-appendix 2

Calculation of income and expenses
(projections)

(thousand Drams)			
		Year 1	Year 2
1	Interest income from:	x	x
1.1.	Placements with commercial banks and other financial organizations		
1.2.	Provided credits		
1.3.	Overdrafts and overnights		
1.4.	Credit cards		
1.5.	Loans provided to the parties, affiliated with the bank, and the employees of the bank		
1.6.	Interest on securities		
1.7.	Other interest income		
Total interest income			
2.	Interest expenses	x	x
2.1.	Interest paid on correspondent accounts, demand deposits and other demand liabilities		
2.2.	Interest paid on liabilities on REPO agreements		
2.3.	Interest paid on loans and borrowings attracted from banks and other financial organizations		
2.4.	Interest paid on attracted term deposits		
2.5.	Other interest expenses		
Total interest expense			
Net interest income			
3.	Non-interest income	x	x

3.1.	Commissions received		
3.2.	Income from guarantees, letters of credit and trust management operations		
3.3.	Income on treasury services		
3.4.	Net income on sale of securities		
3.5.	Net income on trade of foreign exchange		
3.6.	Positive (negative) FX difference resulting from revaluation of foreign currency		
3.7.	Net income on revaluation of fixed assets		
3.8.	Other non-interest income		
Total non-interest income			
4.	Non-interest expenses	x	x
4.1.	Calculated salaries and other equipollent payments		
4.2.	Business trip expenditures		
4.3.	Amortization deductions		
4.4.	Payment for rent of buildings and other fixed assets of the branch		
4.5.	Expenses on economic maintenance of buildings		
4.6.	Expenses on provision and return of loans		
4.7.	Transportation expenses		
4.8.	Expenses on communication		
4.9.	Training expenses		
4.10.	Other non-interest expenses		
Total non-interest expenses			
Net non-interest income			
5.	Contributions for asset loss reserves	x	x
5.1.	Contributions for general reserves of loss on loans and receivables		
5.2.	Contributions for special reserves of loss on loans and receivables		
5.3.	Contributions for securities loss reserves		

5.4.	Contributions for loss reserves for guarantee and other contingent liability		
Total contributions			
6.	Repayment of contributions for asset loss reserves	x	x
6.1.	Repayment of contributions for general reserves of loss on loans and receivables		
6.2.	Repayment of contributions for special reserves of loss on loans and receivables		
6.3.	Repayment of contributions for securities loss reserves		
6.4.	Repayment of contributions for loss reserves for banking guarantee and other contingent liability		
Total repayment			
	Net deductions		
Profit (loss)			

Appendix 18

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and
Qualification in the Area of Activity of Banks”
Regulation 1**

SAMPLE OF REGISTRATION CERTIFICATE OF THE BRANCH OF THE BANK



THE CENTRAL BANK OF THE
REPUBLIC OF ARMENIA

**REGISTRATION CERTIFICATE OF THE BRANCH OF
THE BANK**

YEREVAN

Registered
by decision of the Chairman of the Central Bank of the RA
No _____ of _____

REGISTRATION CERTIFICATE No ---

Pursuant to the laws of the Republic of Armenia “On
banks and banking” and “On the Central Bank of the
Republic of Armenia”, this certificate is granted to the
_____branch of
(name of the branch)
_____bank.
(name, legal-organizational form)

Place of residency of the branch _____

Registration number _____

Date of registration _____

**Chairman of the Central Bank
of the Republic of Armenia** _____

_____ 20____

Appendix 19
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

**APPLICATION FOR REGISTRATION OF THE REPRESENTATIVE OFFICE OF THE BANK (THE
FOREIGN BANK)**

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to establish a representative
(name of the bank (foreign bank))
office within the territory of the Republic of Armenia.

We would like to ask you to register the _____ representative office
(name of the representative office)
of the bank (the foreign bank), pursuant to the legislation of the Republic of Armenia.

Justifications of establishment of the representative office

In accordance with the laws and other legal acts of the Republic of Armenia, we submit the
attached documents, necessary for the registration of the representative office of the bank (foreign bank)
(attached, ____ pages).

We, the undersigned persons, assure you that we have reviewed in detail the information, included
in each of the documents, attached to the application. We assure you, that the provided information is
reliable and comprehensive, furthermore we realize that submission of a false document or any omission
will lead to responsibility, defined by law, and rejection of the application.

Name, surname, signature of the authorized person of the bank (the foreign bank)

Phone number _____

_____ 20_____

Appendix 20

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT ABOUT THE MANAGER OF THE REPRESENTATIVE OFFICE

Attach your photo here	
<input type="checkbox"/> Please check this box if only the changes are submitted in the statement	
1. Information on the financial institution <i>(please indicate the information about the organization where you will be acting as a manager of the representative office)</i>	
1.1. The name of the financial institution and the code (if available)	
1.2 The type of the financial institution <ul style="list-style-type: none"><input type="radio"/> a bank<input type="radio"/> a credit organization<input type="radio"/> an insurance company<input type="radio"/> an investment firm<input type="radio"/> a payment-settlement organization<input type="radio"/> a fund manager	
1.3. Describe the areas of your authorities and liabilities as a manager, in accordance with your job description, employment contract	
2. Personal information	
2.1. First name, last name, middle name	
2.2 Sex <ul style="list-style-type: none"><input type="radio"/> male<input type="radio"/> female	
2.3 Date of birth (day/month/year)	
2.4 Place of birth	

2.5 Nationality						
2.6. Indicate						
<input type="checkbox"/> Passport data <input type="checkbox"/> Data on other passports in use (in case of existence) <input type="checkbox"/> Data on the old passport (in case of existence)						
2.7 Indicate						
<input type="checkbox"/> Social services number <input type="checkbox"/> Not applicable						
2.8 Indicate						
<input type="checkbox"/> Place of registration <input type="checkbox"/> Place of residence						
2.9 Phone number						
<input type="checkbox"/> Cell: <input type="checkbox"/> Home:						
2.10 E-mail address						
2.11 Indicate all the previous names, surnames, middle names you had, and the respective periods						
First name, Surname, Middle name		Beginning of the period (day/month/year)		End of the period (day/month/year)		
<hr/>		<hr/>		<hr/>		
<hr/>		<hr/>		<hr/>		
<hr/>		<hr/>		<hr/>		
<hr/>		<hr/>		<hr/>		

3. Education, qualification, work experience

4.1

The name of the higher education institution, the name of the international qualification	Address of the higher education institution	Time period of education at the higher education institution (from ... to ...)	Faculty	Profession	Academic degree	The level of international qualification

3.2. Indicate the following information on the working experience for the last ten years (information on actual working experience should be mentioned, irrespective whether it was mentioned in the employment history or not).

Time periods of admission and dismissal	The name of the organization	Place of location	Phone number	Position, main responsibilities	Dismissal basis	Check the box, if the data is not mentioned in the employment history

4. I hereby certify that the information containing in this document is reliable and comprehensive and the signature of the above mentioned person corresponds to the original.

*Name, surname of the person, authorized by
the management body of the financial organization _____*

Signature _____

*Signature of the manager of the
representative office*

*_____
(please, attach the sample of the signature)*

*_____
(day, month, year)*

Appendix 21

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

SAMPLE OF REGISTRATION CERTIFICATE OF THE REPRESENTATIVE OFFICE OF THE BANK



THE CENTRAL BANK OF THE
REPUBLIC OF ARMENIA

**REGISTRATION CERTIFICATE OF THE
REPRESENTATIVE OFFICE OF THE BANK**

YEREVAN

Registered
by decision of the Chairman of the Central Bank of the RA
No _____ of _____

REGISTRATION CERTIFICATE No ---

Pursuant to the laws of the Republic of Armenia “On banks and banking” and “On the Central Bank of the Republic of Armenia”, this certificate is granted to the
_____ representative office of
(name of the representative office)
_____bank.
(name, legal-organizational form)

Place of residency of the representative office

Registration number _____

Date of registration _____

**Chairman of the Central Bank
of the Republic of Armenia** _____

_____ 20____

Appendix 22

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

APPLICATION FOR GETTING A PRIOR CONSENT TO OPEN A BANK’S BRANCH OUTSIDE THE TERRITORY OF THE REPUBLIC OF ARMENIA

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to establish a branch

(full name of the bank)

in _____
(name of the country)

We would like to ask you to give the consent to open the bank’s branch outside the territory of the Republic of Armenia, pursuant to the legislation of the Republic of Armenia.

In accordance with the laws and other legal acts of the Republic of Armenia, we submit the attached documents, necessary for getting the prior consent to open a branch of the bank (attached, ____ pages).

☐ We assure that the facility and the technical equipment of _____
(name of the branch)
are in compliance with the requirements, defined by Chapter 32 of Regulation 1, or

☐ We assure that the facility and the technical equipment of _____
(name of the branch)
will be brought into compliance with the requirements, defined by Chapter 32 of Regulation 1 within a _____ period after the registration, and the Central Bank will be submitted with the documents, justifying the compliance of the facility and technical equipment of the branch.

We assure you that we have reviewed in detail the information, included in this application and each of the documents, attached to the application. We assure you, that the provided information is reliable and comprehensive, furthermore we realize that submission of a false document or any omission will lead to responsibility, defined by law, and rejection of the application.

Name, surname, signature of the executive director (chairman of the executive board) of the bank

_____ 20____

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

APPLICATION FOR GETTING A PRIOR CONSENT TO OPEN A REPRESENTATIVE OFFICE OF
THE BANK OUTSIDE THE TERRITORY OF THE REPUBLIC OF ARMENIA

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to establish
the _____
(full name of the bank)
_____ representative office in
_____ (name of the representative office) _____ (name of the country)

Justifications of establishment of the representative office

We would like to ask you to give the prior consent to open the bank’s representative office outside the territory of the Republic of Armenia, pursuant to the legislation of the Republic of Armenia.

We assure you that we have reviewed in detail the information, included in this application and each of the documents, attached to the application. We assure you, that the provided information is reliable and comprehensive, furthermore we realize that submission of a false document or any omission will lead to responsibility, defined by law, and rejection of the application.

Name, surname, signature of the executive director (chairman of the executive board) of the bank

_____ 20 _____

Appendix 24

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

To: Mr. _____
Chairman of the Central bank
of the Republic of Armenia

APPLICATION FOR CHANGING THE TYPE OF ACTIVITY OF THE CREDIT ORGANIZATION

Dear Mr. _____

_____ credit organization’s highest
management

(full name of credit organization)

body (name of the body must be mentioned) upon resolution N___ dated --/--/---- decided to change the type of credit organization’s activity and apply to the Central bank of the Republic of Armenia in order to be registered as a bank and receive a banking license.

Pursuant to the article 22.2 of the Law of the Republic of Armenia “On credit organizations” and by virtue of the abovementioned decision, we kindly ask you to give your consent to this application.

In accordance with the laws and other legal acts of the Republic of Armenia, please find attached the documents necessary for the consent to changing the credit organization’s type of activity (attached, -----pages).

I, the undersigned, assure you that I have reviewed in detail the information, included in each of the documents, attached to the application. I assure you, that the provided information is reliable and comprehensive, furthermore I realize that submission of a false document or information will lead to responsibility, defined by law

Head of the executive body of ----- credit organization
(full name of the credit organization)

(Signature)

(Name, Last name)

-----/-----/-----

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

**A SAMPLE OF BUSINESS PLAN REGARDING CHANGE OF CREDIT ORGANIZATION'S TYPE OF
ACTIVITY**

The business plan consists of 2 parts. In the first part the business program of the bank following the change of credit organization's type of activity is presented for the current year and two up-coming years, while in the second part a description of necessary measures to be registered as a bank and to receive a bank license, as well as processes aimed at satisfying all the conditions required for banking must be presented.

Part 1:

- Section 1. General provisions
- Section 2. Perspective financial development trends
- Section 3. Description of investment markets
- Section 4. Main instruments for attracting funds
- Section 5. Competition resistance techniques
- Section 6. Organizational structure and management principles
- Section 7. Capital, income and expenses calculation
- Section 8. Assessment of possible risks
- Section 9. Branches of the bank
- Section 10. Business plan implementation oversight
- Section 11. Alternative business program (not mandatory, only at the request of the Central Bank)

Part 2:

- Section 1. Implementation of necessary measures
- Section 2. Oversight over implementation of necessary measures
- Section 3. Other provisions
- Sub-Annexes:

PART 1

Section 1. General provisions

1. The first part of this business plan is a document based on specific calculations, analysis and initial data, which is prepared for the current year and two full financial years following the change of credit organization's type of activity (registering as a bank and receiving a banking license) which also describes bank's economic activity and internal organizational structure.
2. In the first part of the business plan the following information must be mentioned:
 - 1) Purpose and reason of changing credit organization's type of activity;

- 2) The full name, legal-organizational type and location of the establishing bank;
- 3) Bank's mission;
- 4) Bank's goals;
- 5) Planned changes, if any, regarding the shareholders of the of the credit organization and their size of ownership.

Section 2. Perspective financial development trends

3. This section describes:
 - 1) Main directions of the bank's activity, the list of planned financial operations and their description;
 - 2) Introduction of new services in the financial market by the bank (if any);
 - 3) Possible subsidiaries of the bank and their activities;
 - 4) A note regarding which branches of the credit organization are planned to become a bank branches;
 - 5) Perspectives of bank's development and expansion, including opening of additional branches and their location, merger with and/or acquisition of other companies;
 - 6) Activities of legal entities affiliated with the bank, their organizational structure, relationship between the bank and affiliated legal entities;
 - 7) Transactions with affiliated entities (e.g. financing of affiliated entities by the bank), if such transactions are planned;
 - 8) Describe the bank's loan programs (e.g. mortgage loan program, etc.). In case of involvement in risky lending (subprime borrowers, unsecured (blank) loans, etc.), provide description of such activities;
 - 9) In case intermediary companies are involved in the bank's activities, (e.g. shops, auto dealers, etc.), a description of the processes of such transaction, their scope, predicted volumes (amount), terms and other necessary information must be provided.

Section 3. Description of investment markets

4. Analysis of investment markets must be based on statistical data and other ratios. Sources of information, economic, competitiveness and other assumptions, bases for forecasts and prerequisites must also be mentioned in the business plan.
5. This section presents:
 - 1) the planned directions and transaction types for placement of funds (investments in securities, loan extension, etc.), terms and conditions of such investments;
 - 2) those financial markets (target markets) where the bank is intending to perform its activities (by each type of financial activity), in particular:
 - a. Economic characteristics of markets (market size, profitability, etc.), further development trends;
 - b. Forecast of bank's business activity, its qualitative and quantitative assessment in those markets (e.g. lending, investing markets), possible share of the bank in the market;
 - c. Regional aspects of markets;
 - d. description and assumed number of the bank's potential customers, names of large customers,

- 3) forecasts of possible changes in economic environment for 3-year period, in particular inflation, unemployment, interest rates, monetary and fiscal policy. The business program includes more probable scenarios of changes in economic environment, as well as assesses possible economic downturns and their impact on the bank;
- 4) There must be a description in the business plan concerning how possible changes in the economy may affect bank's target markets, as well as activities and services rendered by the bank

Sector 4. Main instruments for attracting funds

6. This section presents:
 - 1) the main instruments for attracting funds (deposits, loans, etc.), give their characteristics (if possible also by average amount and maturity), terms of attracting funds (interest rates, etc.),
 - 2) the main sources and methods of attracting debt.

Section 5. Competition resistance techniques

7. This section presents:
 - 1) the bank's main competitors in its target markets of asset/liability activities;
 - 2) the bank's marketing strategy regarding its services to be rendered in its target markets of asset/liability activities, and compare it with that of its main competitors;
 - 3) the bank's comparative advantages and disadvantages in comparison with its main competitors (e.g. price strategy, reputation, market share, etc.), justification of the bank's competitiveness, competition resistance methods;
 - 4) marketing costs necessary to lock in the target markets;
 - 5) the plans concerning rendering services via internet;
 - 6) the bank's advertising strategy (frequency of advertisement, their types, etc.) aimed at locking in the target market, creating a trademark, etc.;
 - 7) the bank's potential competitors in its target markets.

Section 6. Organizational structure and management principles of the bank

8. This section describes:
 - 1) the bank's internal organizational structure, names and main objectives of the bank's organizational divisions and services, their relationship, number of the bank's managers and employees;
 - 2) the proof of the reasonableness of abovementioned organizational structure in the light of implementation of this business plan;
 - 3) the bank's management bodies (general meeting of bank shareholders, Board, executive body, executive board), relationships between them, their authorities and responsibilities;
 - 4) the composition of the management bodies;
 - 5) activities of committees (investment, credit, etc.) established by the bank's Board, their authorities and responsibilities;
 - 6) the main principles of workflow management, ethics requirements;
 - 7) the amount and type of planned compensation of the bank's board members;
 - 8) the salaries of the bank's managers and other employees by position;

- 9) the programs aimed at improving the quality of bank management and staff work, in particular staff trainings and other programs;
- 10) the bank's internal control systems, programs of implementation of accounting, payment-settlement systems, including electronic-informational systems;
- 11) the program of measures on technical upgrading and introduction of banking technologies,
- 12) Describe the bank's internal information flows, including the reporting system,
- 13) the functions of internal audit unit: the description must include methods of ensuring the independence of the unit, as well as the scope and frequency of examinations;
- 14) the internal audit staff requirements, including education and work experience;
- 15) all the processes and procedures aimed at ensuring compliance of the bank's activities with the requirements of RA laws, other regulations, as well as internal acts (policies, regulations, etc.), regulating the banking activity;
- 16) the procedures of processing and reacting to the bank's customers' claims;
- 17) the principles of election of independent audit organization,
- 18) the policy of publication and provision of information by the bank, the channels of information publication, the target, the frequency of its update.

(Point 8 was amended, supplemented by Resolution No 167-N as of 14.10.16)

Section 7. Capital, income and expenses calculation

9. This section describes:

- 1) the target value and the structure of the bank's equity, methods of achieving them, as well as procedures of ensuring bank's capital with prudential requirements;
- 2) the bank's capitalization strategy (including ensuring the forecasted amount of total capital via internal and external sources, main initiatives aimed at ensuring capital adequacy);
- 3) the benchmark level of profitability, strategies aimed at achieving desired level of return on assets, net interest margin, profitability and other criteria;
- 4) based on financial forecasts, the impact of internal and external risks on the bank's capital adequacy;
- 5) the bank's dividend payout policy.

Section 8. Assessment of possible risks

10. Regarding credit risk, the following is presented:

- 1) the bank's estimated credit portfolio (e.g. structure by sectors and maturity, etc.), credit risk management programs (risk identification, measurement and control), assessment of affordable level of risk;
- 2) the bank's loan assessment programs, in particular from the viewpoint of staff objectivity and professionalism;
- 3) the loan portfolio quality assessment procedure, its frequency and scope;
- 4) the main principles of procedures on classification of loans and receivables and creation of possible loss reserves thereof;
- 5) the methodology of borrower creditworthiness assessment.

11. Regarding liquidity risk, the following is presented:

- 1) the bank's liquidity (assets and liabilities management) strategy;

- 2) the bank's programs on liquidity risk management (identification, assessment and control of risks), the assessment of acceptable level of risk;
 - 3) the approaches of attraction of funds by the bank from the parties, affiliated with the bank (non-participants), including their amount, the acceptable level of interest rates and other conditions;
 - 4) the structure of the planned assets and liabilities by the maturity periods;
 - 5) the methods of managing the maturity gap between attracted and allocated funds.
12. Regarding market risk, the following is presented:
- 1) the main directions of the investment policy (investments in government and non-government securities, bonds, etc.), programs on market risk management (identification, assessment and control of risks), assessment of the acceptable level of risk;
 - 2) foreign exchange operations, programs on foreign exchange risk management (identification, assessment and control of risks), assessment of the acceptable level of risk;
 - 3) the bank's portfolio of assets and liabilities, which are exposed to market risk, and the impact of possible changes of price on the profitability, capital and net value of portfolio;
 - 4) the use of hedging instruments (such as futures, options, interest rate swaps, etc.) by the bank.
13. The possible legal risk, arising from changing the type of activity of the credit organization, the management of those risks, as well as the other risks, important for the bank, are also being described in this section.

Section 9. Branches of the Bank

14. This sections shall contain information about those branches of the credit organization which are planned to be registered as bank branches in case of changing the credit organization's type of activity.
15. This section shall describe:
- 1) Main directions of branch activity, list of planned financial operations and their short description;
 - 2) Description of the branch's potential customers, their forecasted number, names of major clients, service area;
 - 3) the branch's loan programs;
 - 4) those areas/markets, where the branch is intending to perform its activities;
 - 5) forecast of the branch's business activity, its qualitative and quantitative assessment;
 - 6) comparative advantages and disadvantages of the branch in comparison with its main competitors (e.g. service quality, list of rendered services, etc.), proof of the competitiveness of the branch;
 - 7) internal organizational structure of the branch, names and main functions of branch's functional divisions and services, their relationship, number of the branch's employees;
 - 8) the salaries of the branch's managers and other employees by position;
 - 9) the internal control system of the branch;
 - 10) the internal information flows between the bank's head office and the branch, including the reporting system;
 - 11) the frequency and scope of internal audits in branches.

Section 10. Business plan implementation oversight

16. This section describes the procedure of making changes in the program, specified in part 1 of this business program, and the process of implementation of oversight over the 1st part of the program by the highest management body of the bank, including:
- 1) the person and/or division responsible (manager/coordinator) for implementation of the planned measures;
 - 2) the frequency of reporting by the responsible person or division to the bank Board and executive body about the process of implementation (which must at least include an analysis of the bank's strengths, weakness, opportunities and threats (SWOT analysis), performance of the current year tasks, the position of the bank in the banking system, trends of financial indicators, comparison of planned and factual indicators);
 - 3) the discussion and approval of status reports by the bank's executive body and the Board, their timing.

Section 11. Alternative business program (not mandatory, only at the request of the Central Bank)

17. The alternative business program should describe the bank's arrangements in cases of adverse changes in market conditions. The alternative business program must encompass more stringent risk management procedures. The program must include approaches of the bank towards increasing the bank's capital should it be necessary in future, as well as the order of buildup and use of provisions during crisis situations. The program must also describe the ways of ensuring the bank's financial stability in case of unexpected losses.

PART 2: IMPLEMENTATION OF MEASURES

Section 1. Implementation of necessary measures

18. This section of the business program shall contain a description of all the measures necessary for changing the type of activity of the credit organization, achieving goals set up in this business program, as well as complying with all the requirements and conditions established by the law of the Republic of Armenia "On banks and banking" and other legal acts adopted by the Central bank by the time of submitting an application to register as a bank and receive a banking license. These measures include:
- 1) Complying with the requirements on facility and technical equipment of bank's head office and branches;
 - 2) Making necessary changes in the internal organizational structure;
 - 3) Developing/improving operating systems (purchase and installation of respective software);
 - 4) Developing/improving internal control systems;
 - 5) Staff training;
 - 6) Registering new managers;
 - 7) Taking necessary measures aimed at receiving the license of payment-settlement services;
 - 8) Developing internal legal acts;

- 9) Description of measures aimed at complying with other requirements necessary for performing banking activities;
 - 10) The measures aimed at providing adequate levels of capital, sources of capital replenishment;
 - 11) Other necessary measures.:
19. In the implementation program, the following shall be mentioned with regard to each measure (process):
- 1) The final goal of the measure;
 - 2) Beginning, duration and the end of the measure;
 - 3) Scope of the measure (to which of the branches, divisions does any particular measure concern);
 - 4) Steps necessary for the achieving the goal of each measure;
 - 5) Resources required for the steps, and in case of outsourcing – name of contractors and nature of their tasks;
 - 6) Beginning, duration and the end of each step;
 - 7) Assessment of costs related to every step;
 - 8) Total budget of each measure and sources of its funding;
 - 9) Identification and management of possible risks associated with the implementation of each measure;
 - 10) Established quantitative and(or) qualitative requirements, defined for the measure (or separate steps);
 - 11) Person/division responsible for the measure.

In the abovementioned program all the measures and their respective steps should be presented in a timely order. It is recommended to present supporting diagrams, flow charts (e.g. using MS Project software).

Section 2. Oversight over implementation of necessary measures

20. The following section shall contain a description of oversight over implementation of measures, which means supervising the quality and process of implementation, regulating and controlling, identifying problems, if necessary - deciding the reasonableness of making changes in the business program and making such changes. The following shall at least be described in the plan:
- 1) The procedures of control over measures and steps and responsible persons and/or divisions for such oversight. Control means the control over the scope, timing, quality and costs of measures and programs, as well as the control over risks and measures aimed at decreasing them;
 - 2) The procedures and frequency of submitting reports on implementation (status reports, progress measurement) to responsible persons, executive body of credit organization, the Board, as well as other interested persons and/or divisions; responsible person for such reporting;
 - 3) The frequency of meeting and discussions with responsible persons, executive body of credit organization, the Board, as well as other interested persons and/or divisions; drawing up protocols of such meetings;

- 4) The procedures of making changes in the implementation plans by the highest management body of the credit organization;
- 5) The procedures of assessing the quality of implementation and achievement of predetermined goals after finishing every measure/step, as well as the procedures of approving the implementation of every measure (step).

Section 3. Other provisions

21. Those data, for which no format of presentation is required by this regulation may be provided in a free style.
22. The use of stress testing is strongly recommended in developing implementation plans.
23. The business program may also include such information which is not required by this regulation but is deemed important by the initiating persons.
24. The following must be attached to the business program.
 - 1) capital estimations for the up-coming 3 financial years (Form 1),
 - 2) estimates of bank's balance sheet (statement of position) for the up-coming three financial years of activity (Form 2),
 - 3) estimates of bank's income and expenses for the up-coming three years (Form 3),
 - 4) reports of the credit organization on prudential ratios which are set by the Central bank for commercial banks. The reports shall be submitted in accordance with form and filling-in guidance of form 3 set forth by "Regulation 3 on Bank Reports, the Submission and Publication Thereof" approved by the Central Bank of the Republic of Armenia decision 50N, dated 26 February 2008. The reports shall be submitted for the period of 2 months preceding the day of decision of the highest management body of the credit organization to change the type of activity of the credit organization. The liquidity ratios should not be calculated in the report, mentioned in this sub-point.
- 5) Documents required by point 24 of Regulation 1, regarding the existing and new (if any) participants.

BANK CAPITAL CALCULUS
(estimates)

(thousand drams)			
CAPITAL	Up-coming years		
	1 st year	2 nd year	3 rd year
Core Capital			
Statutory capital			
General Reserve			
Retained earnings			
Total Core Capital			
Additional Capital			
Long-term subordinated debt			
Other additional capital (indicate) (other items of additional capital must be filled in separately only in cases, when their forecasted amounts exceed 10% of forecasted amounts of the total additional capital, otherwise they must be aggregated)			
Total Additional Capital			
Total capital (core capital + additional capital)			
Qualitative assessments			
1. Total capital to risk weighted assets ratio (%)			
2. Total capital to attracted funds ratio (%)			

BALANCE SHEET PROJECT
(estimates)

(thousand drams)			
	Up-coming years		
ASSETS	1 st year	2 nd year	3 rd year
Cash, payment documents and bank accounts			
Financial assets held for trading and held for sale			
Investments held to maturity			
Claims on banks and others financial institutions			
Loan investments			
Investments in statutory capital of other entities			
Capital investments in fixed assets and intangible assets			
Intangible assets (less amortization and impairment)			
Fixed assets (less depreciation and impairment)			
Other assets (indicate) (other items of assets must be filled in separately only in cases, when their forecasted amounts exceed 10% of the forecasted amounts of the total assets, otherwise they must be aggregated)			
Total assets			
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Loans and credits from banks and other financial organizations			
Funds attracted from international financial institutions			
Amounts payable to other creditors			
Other payables (payables, etc.)			
Other liabilities (indicate) (other items of liabilities must be filled in separately only in cases, when their forecasted amounts exceed 10% of forecasted amounts of the total liabilities, otherwise they must be aggregated)			

INCOME AND EXPENSES CALCULATIONS
(estimates)

(thousand drams)				
		1 st year	2 nd year	3 rd year
1	Interest income	x	x	x
1.1.	Interest income from funds invested in banks and other financial institutions			
1.2.	Income from loans to natural persons and sole proprietors			
1.3.	Income from loans to legal entities and institutions			
1.4.	Income from credit cards			
1.5.	Income from loans to entities affiliated with the credit organization			
1.6.	Interest on other securities			
1.7.	Other interest income (indicate) (other items of interest income must be filled in separately only in cases, when their forecasted amounts exceed 10% of forecasted amounts of the total interest income, otherwise they must be aggregated)			
Total interest income				
2.	Interest expense	x	x	x
2.1.	Interest paid against funds attracted from banks and other financial institutions			
2.3.	Interest paid against funds from international financial institutions			
2.5.	Interest paid against other liabilities			
2.7.	Interest paid against securities issued by the credit organization			
2.9.	Interest paid against long-term subordinated debt			
2.10.	Other interest expense (indicate) (other items of interest expense must be filled in separately only in cases, when their forecasted amounts exceed 10% of forecasted amounts of the total interest expense, otherwise they must be aggregated)			
Total interest expense				
Net interest income				

3.	Non-interest income	x	x	x
3.1.	Fee and commission income			
3.5.	Income from investments in other companies			
3.6.	Net gain from sale of securities			
3.9.	Positive (negative) difference arising from foreign currency revaluation			
3.10.	Net income from disposition of fixed assets and intangible assets			
3.14.	Received fines and penalties			
3.15.	Other non-interest income (indicate) (other items of non-interest income must be filled in separately only in cases, when their forecasted amounts exceed 10% of forecasted amount of the total non-interest income, otherwise they must be aggregated)			
Total non-interest income				
4.	Non-interest expenses	x	x	x
4.1.	Calculated salaries and other equipollent payments, contributions to the RA Social Insurance Fund			
4.2.	Business trip expenses			
4.4.	Taxes, duties and other mandatory payments			
4.5.	Depreciation and amortization expense			
4.6.	Property and equipment rental expenses			
4.7.	Property service and security expenditures			
4.8.	Costs related to loan disbursement and returns			
4.9.	Advertising, marketing expenses			
4.10.	Stationery and printing expenses			
4.11.	Costs related to auditing and consulting services			
4.12.	Costs related to software and hardware maintenance			
4.13.	Services costs (transportation, information, etc.)			
4.14.	Paid fines and penalties			
4.15.	Training costs			
4.16.	Insurance costs			
4.17.	Other non-interest expenses (other items of non-interest expenses must be filled in separately only in cases, when their forecasted amounts exceed 10% of forecasted amounts the total non-interest expenses, otherwise they must be aggregated)			
Total non-interest expenses				
Net non-interest income				
5.	Net Contribution to allowance for possible loss reserves	x	x	x

5.1.	Contribution to general reserves for possible loss reserves for loans and receivables			
5.2.	Contribution to special reserves for possible loss reserves for loans and receivables			
5.3.	Contribution to provision for possible loss reserves for securities			
5.4.	Contribution to provision for possible loss reserves for guarantees and other contingent liabilities			
Total amount of net contributions				
Profit before taxes				
Profit Tax				
Net profit				
Calculated dividends, of which				
on preferred stock				
on ordinary stock				
Retained earnings				

Appendix 26
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

COVER-PAGE OF THE AMENDMENT OF THE CHARTER

<p>APPROVED</p> <p>by decision No _____ on __/__/____ of</p> <p>_____</p> <p>(name of the competent body of the bank or the branch of the foreign bank)</p> <p>Amended by decision No _____ on __/__/____ of</p> <p>_____</p> <p>(name of the competent body)</p> <p>_____</p> <p>(position of the competent person)</p> <p>_____</p> <p>(name, surname, signature)</p>	<p>REGISTERED</p> <p>at the Central Bank</p> <p>Chairman of the Central Bank of the RA</p> <p>_____</p> <p>(signature)</p>
<p>CHARTER</p> <p>_____</p> <p>(full name of the bank (branch or representative office of the bank), branch or representative office of the foreign bank)</p> <p>_____</p> <p>(amendment(s) and (or) supplements or new edition)</p>	

(Appendix 26 was amended by Resolution No 351-N, dated 16.12.14)

Appendix 27

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

**STATEMENT
ON ACQUISITION OF SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK
BY A LEGAL PERSON**

To: Mr. _____
Chairman of the Central Bank
of the Republic of Armenia

Dear Mr. _____

We would like to ask for the prior consent of the Central Bank on acquisition of _____
(direct or indirect)
significant participation in the statutory capital of _____ bank
(name of the bank)
by _____.
(name of the legal person, acquiring significant participation)

PART 1

(Filled by the legal person, intending to acquire the significant participation in the statutory capital of the
bank)

1. Data on legal person		
1.1 Name _____		
1.2. Place of residency _____		
1.3 Date of registration _____ Place _____ Number _____ (day/month/year)		
2. Shares to be acquired		
2.1. Total number of shares (stock parts)	_____ (amount)	_____ (%)
of which, with voting rights	_____ (amount)	_____ (%)
2.2. Price at which each share (stock part) is acquired _____		

2.3. Current market price of one share (stock part) _____

3. Terms and conditions of acquiring the participation, sources (own, borrowed) of investment

3.1. Specify the terms and conditions of acquiring the participation

3.2. Specify the sources of investment (own, borrowed)

If the investment is made by means of a loan or borrowed funds, fill in point 3.3.

3.3. For investments financed by a loan or borrowed funds, specify:

a) Name of the lender _____

b) Place of residency/address _____

c) Amount of loan/borrowing _____

d) Collateral _____

e) Terms and conditions of receiving the loan/borrowing _____

f) By what sources will the loan/borrowing be repaid?

3.4. If the significant participation is being acquired directly from another participant (rather than through the regulated market), please specify the following:

Name of the seller/transferor	Number of shares to be sold/transferred	Amount of shares/participation to be sold/transferred (%)
1)		
2)		
3)		

4. Adequate and complete justifications about legitimacy of the funds, subject to investment. *(The Central Bank may additionally require respective documents, information, etc.)*

5. Information on participation in the statutory capital of other persons. <i>The Central Bank may additionally require the financial reports of the mentioned organizations</i>			
5.1. For participation in 10 and more percent of voting shares			
Name of the organization	Location	Amount of participation (in Drams)	Participation (in %)
1.			
2.			
3.			
Appendix 28 of this Regulation should be filled for the persons, mentioned in this point			
5.2. For other participation:			
Name of the organization	Location	Amount of participation (in Drams)	Participation (in %)
1.			
2.			
3.			
6. Information on organization's managers (Chairman of the board, member of the board, executive director and chief accountant) <i>The Central Bank may additionally require the Appendix 11 to be also filled for the managers of the organization (Appendix 11 is mandatory for the executive director and chief accountant of the participant of the bank)</i>			
Name, surname, passport data, social services number	Position	Years worked in organization (of which, in current position)	
1.			
2.			
3.			
7. Information on affiliated parties <i>The affiliation should be considered in accordance with Article 8 of the Law of the Republic of Armenia "On Banks and Banking"</i>			
Name of organization; or name, surname, passport data, social services number of the person	Location (Place of residency)	Type of affiliation	
1.			
2.			
3.			

8. Information on the participants of the legal person, acquiring significant participation			
Name (name, surname) of the participant		Amount of participation (in Drams)	Participation (%)
1)			
2)			
3)			
9. Other information			
<p>9.1. Does the organization have liabilities overdue for 30 days and more? If “yes”, please provide details.</p> <p style="text-align: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>9.2. Are the grounds, defined by part 2 of Article 18 of the Law of the Republic of Armenia “On Banks and Banking”, and the Law of the Republic of Armenia “On Anti-Money Laundering and Combating the Financing of Terrorism” and the normative legal acts, approved on the basis of those laws, missing at the bank? If “No”, please provide details.</p> <p style="text-align: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>9.3. Are there any changes, offered by you, in the economic program and the long-term development program specified by Article 42.1 of the Law of the Republic of Armenia “On Banks and Banking”, submitted to the Central Bank by the bank? If “yes”, please provide details.</p> <p style="text-align: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>9.4. Is the organization ready to provide additional financial support in case of worsening of financial conditions of the bank (drastic decrease of capital, occurrence of liquidity problems, big losses, emergency situation)? If “Other”, please provide details.</p> <p style="text-align: right;">Yes <input type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/></p>			
9.5. Any other information that you consider important.			

10. *I assure that*

a) the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.

b) the grounds, prescribed by Article 18 of the Law of the Republic of Armenia "On Banks and Banking" are missing.

I declare, that no one else gets the status of indirect significant participant of the bank through my participation, otherwise I submit the information and documents, required by the law and regulations, about the persons acquiring indirect significant participation through me.

I agree to notify the Central Bank in case of any change in the information provided above by me, as well as to submit the statements (information), prescribed by Chapter 18 of Regulation 1 to the bank (branch of the bank) at least 5 days before the deadline, set by the regulation.

Name and surname of director _____

Signature _____

Date _____

day/month/year

PART II

Filled by the bank

1. We would like to ask for the prior consent of the Central Bank on acquisition of _____
(direct or indirect)

significant participation in the statutory capital of _____ bank by
(name of the bank)

(name of the legal person, intending to acquire the significant participation)

2. We assure that the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the bank for the acquisition of participation (share) in the statutory capital of _____ bank have been met.

(name of the bank)

(This point does not apply on the cases of receiving the shares of the bank by donation)

**Name and surname of the person
authorized by the management
body of the bank**

Signature _____

Date _____

(day, month, year)

Appendix 28

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT ON LEGAL PERSONS, AFFILIATED WITH THE PERSON, ACQUIRING SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

1. Significant participant				
1.1. Name (name, surname) _____				
1.2. The name of the organization, where the participant intends to acquire a significant participation _____				
2. Information on the affiliated legal person (organization)				
2.1. Name _____				
2.2. Location _____				
2.3. Date of registration _____ Place _____ Number _____ (day/month/year)				
3. Information on significant participants of the affiliated legal person (<i>The Central Bank may additionally require the financial statements of the organizations, mentioned in point 3.1</i>)				
3.1. Legal persons, having 10 and more percent of voting shares:				
Name of the organization	Location		Amount of participation (in Drams)	Participation (%)
3.2. Natural persons, having 10 and more percent of voting shares:				
Name, surname, passport data	Place of residency		Amount of participation (in Drams)	Participation (%)
4. Information on the managers (Chairman and members of the Board, executive director and chief accountant) of the affiliated legal person				
Name, surname, passport data		Position		Years worked in organization (of which, in current position)
1.				

2.			
3.			
5. Other information			
<p>5.1. Does the affiliated legal person have liabilities overdue for 30 days and more? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>5.2. Are the grounds, defined by part 2 of Article 18 of the Law of the Republic of Armenia “On banks and banking” and the normative legal acts, approved on the basis of those laws, missing at the person? If “No”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>5.3. Any other information that you consider important.</p>			
<p>6. <i>I assure that the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.</i> <i>I agree to notify the Central Bank in case of any change in the information provided above by me.</i></p> <p>Name, surname of the authorized person of the competent management body of the bank _____</p> <p>Signature _____ Date _____ (day/month/year)</p>			

Appendix 29

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT ON NATURAL PERSONS, AFFILIATED WITH THE PERSON, ACQUIRING SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

1. Significant participant
1.2. Name (name, surname) _____
1.3. The name of the organization, where the participant intends to acquire a significant participation _____
2. Information on the affiliated natural person <i>The affiliation should be considered in accordance with Article 8 of the Law of the Republic of Armenia “On banks and banking”. For the natural person the affiliated parties are the father, mother, spouse and adult children.</i>
2.1. Name, surname _____
2.2. Place of residency _____
2.3. Passport date _____
2.4. Type of affiliation _____
3. Other information
3.1. Does the natural person have liabilities overdue for 30 days and more? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/>
3.2. Are the grounds, defined by part 2 of Article 18 of the Law of the Republic of Armenia “On banks and banking” and the normative legal acts, approved on the basis of those laws, missing at the person? Yes <input type="checkbox"/> No <input type="checkbox"/> If “No”, please provide details.
3.3. Any other information that you consider important.
4. <i>I assure that the information contained in this document is true and complete. I realize that</i>

presenting any false document or information will result in criminal and administrative liability prescribed by law.

I agree to notify the Central Bank in case of any change in the information provided above by me.

Name, surname of the authorized person
of the management body of the bank

Signature _____ Date _____
(day/month/year)

Appendix 30

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

To: Mr. _____
Chairman of the Central Bank
of the Republic of Armenia

STATEMENT
on acquisition of significant participation in the statutory capital of the bank by a foreign state

Dear Mr. _____

We would like to ask for the prior consent of the Central Bank on acquisition of _____
(direct or indirect)
significant participation in the statutory capital of _____
(name of the bank)
bank by _____.
(name of the state)

PART 1

(Filled by the person, authorized to represent the state, intending to acquire the significant participation
in the statutory capital of the credit organization)

1. Are there any changes, offered by you, in the economic program and the long-term development program of the bank, specified by Article 42.1 of the Law of the Republic of Armenia “On Banks and Banking”, submitted to the Central Bank by the bank? Yes ☐ No ☐

If “yes”, please provide details.

10. *We assure that the information contained in this document is true and complete. We realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.*

Name and surname of the head of the body,
authorized to represent the state _____

Signature _____ Date _____
day/month/year

PART II

Filled by the bank

1. We would like to ask for the prior consent of the Central Bank on acquisition of _____
(direct or indirect)
significant participation in the statutory capital of _____
(name of the bank)
bank by _____.
(name of the state)

2. We assure that the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the bank for the acquisition of participation (share) in the statutory capital of _____ bank have been met.
(name of the bank)

**Name and surname of the Chairman
of the Board or executive director or
chairman of the executive board (if they
are authorized by the Charter of the bank
or by the General meeting) of
the bank**

Signature _____

Date _____
(day, month, year)

Appendix 31
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

STATEMENT
on acquisition of significant participation in the statutory capital of the bank by a natural person

To: Mr. _____
Chairman of the Central Bank
of the Republic of Armenia

Dear Mr. _____

I, _____, would like to ask for the prior consent of the
Central Bank on acquisition of _____ significant participation in the statutory capital of
(direct or indirect)
_____ bank.
(name of the bank)

PART 1

Filled by the natural person, intending to acquire the significant participation in the statutory capital of
the bank

Please attach
your photo
here

1. Information on the natural person

- 1.1. Name, surname, middle name _____
- 1.2. Sex _____
- 1.3. Date of birth _____
(day/month/year)
- 1.4. Place of birth _____
- 1.5. Nationality _____
- 1.6. Passport data _____
- 1.7. Social services number _____
- 1.8. Place of residency
Address of registration _____

Address of the place of residency _____						
1.9. Phone number _____						
1.10. E-mail address _____						
1.11. Indicate all the names, surnames, middle names, that you had in the past, and their periods						
Name, surname, middle name	Period					
	Beginning of the period (day/month/year)			End of the period (day/month/year)		

2. Education, qualification, working experience						
2.1. Education, qualification						
Name of the education institution, name of the international qualification	Location of the university	Period of studying at the university (from _____ to _____)	Faculty	Profession	Academic degree	Level of international qualification
1.						
2.						
3.						
4.						

2.2. How many foreign languages do you know?

☐ Armenian
☐ English
☐ Russian
☐ Other (please, mention the language) _____

2.3. Indicate the following information on the working experience for the last ten years (information on actual working experience should be mentioned, irrespective whether it was mentioned in the employment history or not).						
Time periods of admission and dismissal	Name of the organization	Location	Phone number	Position, main responsibilities	Dismissal basis	Check the box, if the data is not mentioned in the employment history

2.4. Provide information on persons, who know you personally and who work or have worked in the financial system, and who, if necessary, can provide recommendation (guarantee) for you (if any)

Name, surname	Place of work, position	Phone number

3. Shares to be acquired

3.1. Total number of shares (stock parts)	(amount)	(%)

of which, with voting rights

	(amount)	(%)

3.2. Price at which each share (stock part) is acquired _____

3.3. Current market price of one share (stock part) _____

4. Terms and conditions of acquiring the participation, sources (own, borrowed) of investment

4.1. Specify the terms and conditions of acquiring the participation

4.2. Specify the sources of investment (own, borrowed)

If the investment is made by means of a loan or borrowed funds, fill in point 4.3.

4.3. For investments financed by a loan or borrowed funds, specify:

a) Name of the lender _____

b) Place of residency/address _____

c) Amount of loan/borrowing _____

d) Collateral _____

e) Terms and conditions of receiving the loan/borrowing _____

f) By what sources will the loan/borrowing be repaid?				
4.4. If the significant participation is being acquired directly from another participant (rather than through the regulated market), please specify the following:				
Name of the seller/transferor		Number of shares to be sold/transferred		Amount of shares/participation to be sold/transferred (%)
1.				
2.				
3.				
4.				
5. Adequate and complete justifications about legitimacy of the funds, subject to investment. <i>(The Central Bank may additionally require respective documents, information, etc.)</i>				
6. Information on participation in the statutory capital of other persons.				
6.1. For participation in 10 and more percent of voting shares:				
Name of the organization		Place of residency		Amount of participation (in drams)
1.				
2.				
3.				
4.				
Appendix 28 of this Regulation should be filled for the persons, mentioned in this point				
6.2. For other participation:				
Name of the organization		Place of residency		Amount of participation (in drams)
1.				
2.				
3.				
7. Information on affiliated parties				
<i>The affiliation should be considered in accordance with Article 8 of the Law of the Republic of Armenia "On banks and banking"</i>				
Name of organization; or name, surname, passport data, social		Location (Place of residency)		Type of affiliation

services number of the person				
1.				
2.				
3.				
8. Other information				
<p>8.2. Do you (or parties, affiliated with you) have any cash or other liabilities towards the bank in whose statutory capital you are going to acquire a significant participation? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If “yes”, please provide details (sum, term, etc.).</p>				
<p>8.1. Do you (or parties, affiliated with you) have or have had liabilities towards any bank in the Republic of Armenia overdue for 30 days and more? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If “yes”, please provide details (sum, term, etc.).</p>				
<p>8.3. Are the grounds, defined by part 2 of Article 18 of the Law of the Republic of Armenia “On banks and banking”, and the Law of the Republic of Armenia “On Anti-Money Laundering and Combating the Financing of Terrorism” and the normative legal acts, approved on the basis of those laws, missing? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If “No”, please provide details.</p>				
<p>8.4. Are you ready to provide additional financial support in case of worsening of financial conditions of the credit organization (drastic decrease of capital, occurrence of liquidity problems, big losses, emergency situation)? Yes <input type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/></p> <p>If “Other”, please provide details.</p>				
<p>8.5. Are there any changes, offered by you, in the economic program of the bank, submitted to the Central Bank by the bank? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If “yes”, please provide details.</p>				
8.6. Any other information that you consider important.				
<p>9. I assure that</p> <p>a) the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.</p> <p>b) the grounds, prescribed by Article 18 of the Law of the Republic of Armenia “On banks and banking” are missing.</p> <p>I declare, that no one else gets the status of indirect significant participant of the bank through my participation, otherwise I submit the information and documents, required by the law and regulations, about the persons acquiring indirect significant participation through me.</p>				

I agree to notify the Central Bank in case of any change in the information provided above by me, as well as to submit the statements (information), prescribed by Chapter 18 of Regulation 1 to the bank (branch of the bank) at least 5 days before the deadline, set by the regulation.

Name, surname _____

Signature _____ Date _____
(day/month/year)

PART II

Filled by the bank

1. We would like to ask for the prior consent of the Central Bank on acquisition of _____
(direct or indirect)
significant participation in the statutory capital of _____
(name of the bank)
bank by _____.
(name and surname of the natural person, intending to
acquire the significant participation)

2. We assure that the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the bank for the acquisition of participation (share) in the statutory capital of _____ bank have been met.
(name of the bank)

(This point does not apply to the cases of receiving the shares of the bank by donation)

**Name and surname of the
authorized person of the
management body of the bank** _____

Signature _____ **Date** _____
(day, month, year)

(Appendix 31 was amended by Resolution No 351-N, dated 16.12.14; No 239-N, dated 20.12.16)

Appendix 32
**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”**
Regulation 1

APPLICATION
ON ACQUISITION OF OTHER PARTICIPATION IN THE STATUTORY CAPITAL OF THE BANK

To: Mr. _____
Chairman of the Central Bank
of the Republic of Armenia

Dear Mr. _____

I would like to ask for the prior consent of the Central Bank on acquisition of other participation in the statutory capital of _____ bank.
(name of the bank)

PART 1

(Filled by the person, intending to acquire other participation in the statutory capital of the bank)

1. Name (name and surname) of the person, intending to acquire other participation in the bank _____		
2. Shares to be acquired		
2.1. Total number of shares (stock parts)	_____	_____
	(amount)	(%)
2.2. Price at which each share (stock part) is acquired _____		
2.3. Current market price of one share (stock part) _____		
2.4. Participation of the significant participant in the statutory capital of the bank after this transaction will be:		
	_____	_____
	(amount)	(%)
3. Here information about legitimacy of the funds, subject to investment, are being presented. <i>(The Central Bank may additionally require respective documents, information, etc.)</i>		

4. Here the information about affiliation of the person, acquiring other participation, with the participants of the bank is being presented.
<p>9. <i>I assure that</i></p> <p><i>a) the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.</i></p> <p><i>b) the grounds, prescribed by Article 18.1 of the Law of the Republic of Armenia “On banks and banking” are missing.</i></p> <p><i>c) the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the bank for the acquisition of participation (share) in the statutory capital of the bank, have been met.</i></p> <p>Name, surname of the director (person) _____</p> <p>Signature _____ Date _____</p> <p style="text-align: right;">(day/month/year)</p>

PART II

Filled by the bank

Dear Mr. _____

We would like to ask for the prior consent of the Central Bank on acquisition of other participation in the statutory capital of _____ bank by
(name of the bank)

(name and surname of the natural person, intending to acquire the significant participation)

**Name and surname of the
authorized person of the
management body of the bank** _____

Signature _____ **Date** _____
(day, month, year)

LIST OF INTERNATIONAL FINANCIAL ORGANIZATIONS

1. Asian Development Bank
2. Bank of International Settlements
3. Black Sea Trade and Development Bank
4. Caribbean Development Bank
5. Central American Bank of Economic Integration
6. Corporation Andina de Fomento
7. European Bank for Reconstruction and Development
8. European Commission
9. European Investment Bank
10. Inter-American Development Bank
11. International Monetary Fund
12. Islamic Development Bank
13. Nordic Development Fund
14. Nordic Investment Bank
15. OPEC Fund for International Development
16. Organization for Economic Co-operation and Development
17. Organization of Petroleum-Exporting Countries
18. World Bank Group
 - 1) International Bank for Reconstruction and Development
 - 2) International Development Association
 - 3) International Finance Corporation
 - 4) Multinational Investment Guarantee Agency
 - 5) International Centre for Settlement of Investment Disputes
19. Kreditanstalt für Wiederaufbau (KfW)
20. Financial organizations of OECD member-countries

Appendix 34

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

LIST OF TOPICS OF QUALIFICATION EXAMINATIONS OF THE MANAGERS OF THE BANK

Sphere of knowledge and skills	Bank executive director (chairman of executive board), deputy executive director (deputy chairman of executive board), directorate (executive board) member, manager of a foreign bank branch	Chief accountant, deputy chief accountant of a bank and a branch or a foreign bank,	Head of internal audit unit, member of internal audit unit of the bank	Manager of a bank branch	Chief accountant of a bank branch	Board members of the bank	Employee of a bank's internal monitoring unit
1. Law of the Republic of Armenia “On the Central bank of the Republic of Armenia”							
1) General provisions	+	+	+	-	+	+	+
2) Financial provisions	+	+	+	-	+	-	+
3) Management of the Central Bank	+	+	+	-	+	+	+
4) Central bank relations with state bodies of the Republic of Armenia	+	+	+	-	+	-	+
5) Central bank relations with banks and other entities	+	+	+	-	+	-	+
6) Inspections, supervision, examinations, carried out by the Central Bank and holding entities, licensed by the Central Bank, to responsibility	+	+	+	+	+	+	+
7) Currency of the Republic of Armenia	+	+	+	+	+	-	+
8) Currency regulation, supervision and operations. International reserves	+	+	+	-	+	-	+
9) Additional provisions	+	+	+	-	+	-	+
10) Primary and other objectives of the Central Bank	+	+	+	+	-	+	+
11) Crediting of banks by the Central Bank	+	-	-	+	-	+	+

12) Mandatory reserves of banks	+	+	+	+	-	-	+
2. Law of the Republic of Armenia “On Banks and Banking”							
1) General provisions	+	+	+	+	+	+	+
2) Organizational-legal types, structure and management of banks	+	+	+	+	+	+	+
3) Procedure of banking licensing	+	+	+	+	+	+	+
4) Regulation of the banking activities	+	+	+	+	+	+	+
5) Prudential and other standards of banking	+	+	+	+	+	+	+
6) Registration, reports and supervision	+	+	+	+	+	-	+
7) Violation of legislation and applicable sanctions	+	+	+	+	+	+	+
8) Reorganization of banks	+	+	+	+	+	+	+
9) Liquidation of banks	+	+	+	+	+	+	+
3. Law of the Republic of Armenia “On bankruptcy of banks, credit organizations, investment companies and insurance companies”							
1) General provisions	+	+	+	-	-	+	+
2) Provisional administration	+	+	+	-	-	+	+
3) The program of financial rehabilitation of the bank	+	+	+	-	-	+	+
4) The peculiarities of bank bankruptcy procedure	+	+	+	-	-	+	+
5) The rules of liquidation of a bank that has been recognized bankrupt	+	+	+	-	-	-	+
6) Requirements to the head of administration and the Liquidator	+	+	+	-	-	-	+
7) Final provisions	+	+	+	-	-	-	+
4. Law of the Republic of Armenia “On bank secrecy”							
1) Subject and scope of the Law	+	+	+	+	+	+	+
2) Term “bank secrecy”, third parties	+	+	+	+	+	+	+
3) Bank secrecy disclosure, prohibition of bank secrecy disclosure	+	+	+	+	+	+	+
4) Protection, provision and circulation of bank secrecy among banks	+	+	+	+	+	+	+
5) Limitations on provision of bank secrecy, rejection of a request to disclose bank secrecy	+	+	+	+	+	-	+
6) Obligation for reporting on crimes	+	+	+	+	+	-	+
7) Liability for violations of provisions of Law	+	+	+	+	+	+	+
5. Law of the Republic of Armenia “On guarantee of remuneration of bank deposits of natural persons”							
1) Guaranteed bank deposit, amount of guaranteed	+	+	+	+	+	+	-

deposit							
2) Guaranteed deposit remuneration	+	+	+	-	-	+	-
3) Contribution charges	+	+	+	-	-	+	-
4) Disclosing terms and conditions of deposit remuneration to clients	+	+	+	-	-	-	-
5) Liability for violating the Law	+	+	+	-	-	-	-
6. Law of the Republic of Armenia “On combating money laundering and financing of terrorism”							
1) General provisions	-	-	-	-	-	-	+
2) Prevention of money laundering and terrorism financing	+	+	+	+	+	+	+
3) Authorized body	+	+	+	+	+	-	+
4) Cooperation for purposes of the law on combating money laundering and terrorism financing	+	+	+	+	+	-	+
5) Customer due diligence, internal control requirements of reporting entities	+	+	+	+	+	-	+
6) Internal legal acts of reporting persons and internal monitoring unit	-	-	-	-	-	-	+
7) Suspension, rejection of suspicious business relationships or transactions and freezing of proceeds linked to terrorism	+	+	+	+	+	+	+
8) Supervision of compliance with requirements of the law on combating money laundering and terrorism financing and sanctions imposed for infringing the legislation	-	-	-	-	-	-	+
9) Transitional provisions	-	-	-	-	-	-	+
10) Peculiarities of combating money laundering and terrorism financing in banks	+	+	+	+	+	+	+
7. Law of the Republic of Armenia “On payment-settlement systems and payment-settlement organizations							
1) Payment and settlement systems, supervision of payment and settlement activities	+	+	+	+	+	-	+
2) Payment and settlement services	+	+	+	+	+	+	+
3) Organizations, providing payment and settlement services	+	+	+	+	+	-	+
8. Other							
1) Currency regulation and supervision in the Republic of Armenia	+	+	+	+	+	-	+
2) Regulation of banking, main prudential standards of banking	+	+	+	+	+	+	-
3) Submitting of reports to the Central bank by banks	+	+	+	+	+	-	-

4) Classification of loans and receivables and formation of possible loss reserves	+	+	+	+	+	-	-
5) Formation and utilization of the reserve for the potential investment losses in the investment securities of the banks	+	+	+	+	+	-	-
6) Financial ratios	+	+	+	+	+	+	-
7) Bank profitability and income ratios	+	+	+	+	+	+	-
8) Minimum requirements of implementation of internal control of banks	+	+	+	+	+	+	+
9) Provision of information to credit registry, utilization and maintenance of the information	+	+	+	+	+	-	-
10) Procedure of preparing consolidated reports	+	+	+	-	-	+	-
11) Information disclosure by banks	+	+	+	-	-	+	-
12) Regulation on submitting prospective development plans to the Central Bank of the Republic of Armenia by banks	+	-	+	-	-	+	-
13) Regulation on election of independent external auditor by commercial banks	+	+	+	-	-	+	-
14) Banking risks, their types and management	+	+	+	+	+	+	-
15) Methods of assessment of banking risks (e.g. GAP, VaR, Duration)	+	-	+	-	-	-	-
16) Practical cases (e.g. yield of securities, liquidity gap, Duration)	+	-	+	-	-	-	-
17) Civil code (right of pledge, lease, credit, financing with assignment of monetary claim (Factoring), bank deposit, bank account, settlements, trust management of property, securities, right of ownership)	+	+	+	+	+	+	+
18) Derivative instruments	+	+	+	+	+	-	-
19) Assets and liabilities management (management of liquidity, profitability, currency positions and asset-liability operations)	+	-	+	+	-	-	-
20) Financial operations	+	-	+	+	-	-	-
21) Differentiation of bank asset operations from liability operations	+	+	+	+	+	-	-
22) Procedure on “Filling and submission of statement number 101 on transactions, subject to mandatory reporting by banks and suspicious business relationships or transactions”	-	-	-	-	-	-	+
23) «Guideline on typologies of combating money laundering and terrorism financing” approved by the Resolution of the Chairman of the Central Bank of the Republic of Armenia No 1-913A, of 11.09.2008	-	-	-	-	-	-	+

24) "Guidance on criteria of suspicious transactions" approved by the Resolution of the Chairman of the Central Bank of the Republic of Armenia No 1/886A, of 03.09.2008	-	-	-	-	-	-	+
25) Articles 103.1, 190 and 217.1 of Criminal Code of the Republic of Armenia	-	-	-	-	-	-	+
26) Practical cases regarding combating money laundering and terrorism financing	-	-	-	-	-	-	+
27) «Regulation on minimal requirements established for the reporting entities in the area of combating money laundering and terrorism financing»	-	-	-	-	-	-	+
28) International documents and institutions in the area of combating money laundering and terrorism financing	-	-	-	-	-	-	+
9. Accounting and taxes							
1) Law of the Republic of Armenia "On accounting"	+	+	+	+	+	-	+
2) Regulation of accounting	+	+	+	+	+	+	+
3) Organization and execution of accounting	+	+	+	+	+	-	+
4) Financial reports and their components	+	+	+	+	+	-	+
5) International financial reporting standards	-	+	+	-	+	-	+
6) Basis for preparation and presentation of financial reports	+	+	+	+	+	+	+
7) Accounting entries of bank transactions	-	+	+	-	+	-	+
8) Accounting and revaluation of bank's fixed assets and amortization	-	+	+	-	+	-	+
9) Inventory of assets and liabilities	-	+	+	-	+	-	+
10) Valuation of assets and liabilities	-	+	+	-	+	-	+
11) Rights and obligations of taxpayers	+	+	+	+	+	+	+
12) Forms of tax remissions, tax remissions of VAT for banks of the Republic of Armenia	+	+	+	-	-	-	+
13) Procedure of profit tax calculation, rates and payment	+	+	+	-	-	-	+
14) Procedure on refunding the amounts paid to the budget in excess of tax liabilities to the tax payer	+	+	+	-	-	-	+
15) Banks responsibility for violating the tax legislation	+	+	+	-	-	-	+
16) Elements of income and expenses according to the Law of the Republic of Armenia "On profit tax"	+	+	+	+	+	-	+
17) Objects subject to property tax in banks	+	+	+	+	+	-	+
10. Monetary policy							
1) Types, objectives and instruments of monetary policy	+	-	-	-	-	-	-

2) System of national accounts	+	-	-	-	-	-	-
3) Main macroeconomic indicators of previous years	+	-	-	-	-	-	-
4) Consumer price index	+	-	-	-	-	-	-
5) Current account deficit in balance of payments	+	-	-	-	-	-	-
11. Law of the Republic of Armenia “On joint stock companies” by the following chapters							
1) General provisions	+	-	-	-	-	-	+
2) Company creation, reorganization and liquidation	+	-	-	-	-	-	+
3) Statutory capital shares and other securities of the company, net assets of the company	+	-	-	-	-	-	+
4) Allocation of company shares and other securities	+	-	-	-	-	-	+
5) Company dividends	+	-	-	-	-	-	+
6) Company’s shareholder registry	+	-	-	-	-	-	+
7) Acquisition and buyback of outstanding company shares by the company	+	-	-	-	-	-	+
8) Large transactions	+	-	-	-	-	-	+
9) Interests in company transactions	+	-	-	-	-	-	+
10) General assembly of shareholders, board of directors and executive body of the company	+	-	-	-	-	-	+
11) Oversight of financial activities of the company	+	-	-	-	-	-	+
12) Accounting and reporting, information about the company	+	-	-	-	-	-	+
12. Law of the Republic of Armenia “On limited liability companies” by the following chapters							
1) General provisions	+	-	-	-	-	-	+
2) Establishment of company	+	-	-	-	-	-	+
3) Participants in the company	+	-	-	-	-	-	+
4) Statutory capital of the company	+	-	-	-	-	-	+
5) Management of company	+	-	-	-	-	-	+
6) Restructuring and liquidation of the company	+	-	-	-	-	-	+
13. Law of the Republic of Armenia “On attraction of bank deposits” by the following articles:							
1) Information subject to public disclosure	+	-	+	+	-	-	-
2) Information bulletins	+	-	+	+	-	-	-
3) Provision and public disclosure of information bulletins	+	-	+	+	-	-	-
4) Account statements	+	-	+	+	-	-	-
5) Calculation of percentage	+	+	+	+	+	-	-
6) Communication between the bank and the depositor	+	-	+	+	-	-	-

7) Protection of depositor rights through the court, arbitration and by Financial system mediator	+	-	+	+	-	-	-
8) Bank's responsibility	+	-	+	+	-	-	-
9) Bank's responsibility towards the depositor	+	-	+	+	-	-	-
14. Law of the Republic of Armenia "On consumer credits" by the following chapters:							
10) General provisions	+	-	+	+	-	-	-
11) Credit agreements	+	-	+	+	-	-	-
12) Consumer rights	+	-	+	+	-	-	-
13) Calculation of annual percentage rate	+	+	+	+	+	-	-
14) Advertisement and correspondence	+	-	+	+	-	-	-
15) Protection of consumer rights, supervision and liability for law infractions	+	-	+	+	-	-	-
15. Law of the Republic of Armenia "On financial system mediator" by the following chapters:							
1) General provisions	+	-	+	+	-	+	-
2) Claims and procedure of their examination	+	-	+	+	-	-	-
3) Infringement of provisions of the law	+	-	+	+	-	-	-

(Appendix 34 was amended by Resolution No 281-N, dated 07.10.14)

Appendix 35

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

**APPLICATION
FOR GETTING A QUALIFICATION CERTIFICATE OF A BANK’S DEALER**

To: Mr. _____
Chairman of the Central Bank of the
Republic of Armenia

Dear Mr. _____

I would like to ask you to provide a qualification certificate of a bank’s dealer to
_____.
(name, surname of the candidate of the bank’s dealer)

The following information about the candidate of the bank’s dealer is being provided below
1. Passport data _____ 2. Social services number _____ 3. E-mail address _____

Name, surname, signature of the
authorized person of the management
body of the bank (foreign bank) _____

“ ” _____ 20____

Appendix 36
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

APPLICATION
TO APPEAL THE RESULTS OF THE QUALIFICATION EXAMINATION

To Mr. _____
Chairman of the Central Bank
of the Republic of Armenia

Dear Mr. _____

I, _____, have participated in the qualification
(name, surname, social services number and passport data)
examination, provided for the position of _____ on _____.
(name of the position) (day/month/year of the examination)

(description of the problematic question, reason to appeal)

Applicant _____

(phone number, e-mail address)

(signature)

“ _____ ” _____ 20____

« » 20

Appendix 38

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

SAMPLE OF QUALIFICATION CERTIFICATE OF A MANAGER

FRONT SIDE

CERTIFICATE No_____

This certificate is given to

Name, surname

(social services number, or in absence – passport data)

to work in the position (positions) of _____
(name of position or positions)

of a bank

_____ is being the basis for providing the certificate.
(qualification, diploma or certificate)

This certificate is valid until the end of validity of the qualification, diploma or certificate.

**Chairman of the Central Bank
of the Republic of Armenia** _____

« » 20

REVERSE SIDE

This certificate will be revoked, if the qualification, diploma or certificate, which served as the basis for granting the qualification certificate, becomes invalid.

This certificate will be revoked, if the person has conducted such an action or inaction, as a result of which the rules of granting and (or) keeping of the qualification, diploma or certificate have been violated.

This certificate will be revoked, if as a result of respective changes, the given qualification, diploma or certificate is no more considered as a basis for granting of the certificate.

(Appendix 38 was amended by Resolution No 351-N, dated 16.12.14)

Appendix 39

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

THE TYPES OF PROCEDURES OF REGISTRATION OF THE MANAGERS

N/N	Managers of credit organizations	Procedure
	MANAGER OF THE BANK, THE BRANCH OF THE FOREIGN BANK, including	
1.	Members of the Board	C
2.	Executive director	C
3.	Deputy executive director	C
4.	Chairman of directorship (executive board)	C
5.	Deputy chairman of directorship (executive board)	C
6.	Member of directorship	C
7.	Chief accountant	C
8.	Deputy chief accountant	C
9.	Head of internal audit unit	C
10.	Members of internal audit unit	S
11.	Executive manager of the branch	S
12.	Chief accountant of the branch	S
13.	Internal monitoring unit	S

Appendix 40

**Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the
Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1**

**APPLICATION
ON RECEIVING THE PRIOR CONSENT FOR IMPLEMENTATION OF A TRANSACTION OR
OPERATION, RELATED TO INVESTMENT ACTIVITY**

To: Mr. _____
Chairman of the Central Bank
of the Republic of Armenia

Dear Mr. _____

We kindly request you prior consent on acquiring a participation of _____
(total amount of participation)

by _____ bank in the statutory capital of
(name and legal-organizational type of the bank)

_____, as a result of which:
(full name of the organization)

- the participation of the bank in the statutory capital of _____ will account
(full name of the organization)
for _____ percent,
- the participation of the bank in the statutory capital of the given organization will account for
_____ percent of the bank’s total regulatory capital,
- the participation of the bank in the statutory capital of other entities will account for _____
percent of the bank’s total regulatory capital.

We submit to you also the information about the transaction and the legal person, in the statutory capital of which the bank intends to acquire the participation:

1. Data on legal entity		
1.1. Name _____		
1.2. Address _____		
1.3. Registration date _____ Place _____ Number _____ (day/month/year)		
2. Shares (part of stock) to be acquired		
2.1. Total number of shares (stock)	_____	_____
	amount	%
of which, with voting right	_____	_____
	amount	%
2.2. . Price at which each share (stock) is acquired _____		
2.3. Current market price of one share (stock) _____		
3. Period and terms of acquiring participation, method of acquisition		
3.1. Please specify the period and terms of acquiring the participation:		
3.2. If the participation is being acquired directly from another participant of the firm (rather than through the regulated market), then please specify the following:		
Name of the seller/transferor	Number of shares to be sold/transferred	Amount of shares/stock to be sold/ transferred (%)
1.		
2.		
3.		
4.		

4. . Information on shareholders of the organization				
4.1. For participation in 10 and more percent of voting shares				
Name of the organization (Name, last name, passport data of the natural person)		Location (residence) address		Amount of participation (in Drams)
1.				Participation (in %)
2.				
3.				
<i>Entities specified in this point may be required to fill in also Appendix 27 and Appendix 31 of this Regulation.</i>				
5. Information on organization managers (Chairman of the Board, Board member, executive director and chief accountant)				
<i>The Central bank may additionally require some information, specified in Appendix 11, about the managers of the organization</i>				
name, last Name, passport data		Position		Years worked in organization (of which, in current position)
1.				
2.				
3.				
6. Information on affiliated parties				
<i>The term “affiliation” should be considered with the meaning specified in Article 8 of the Law of the Republic of Armenia “On banks and banking”.</i>				
Name of organization, name, passport data of affiliated person,		Location (residence) address		Type of affiliation
1.				
2.				
7. Other information				
7.1. Does the company have liabilities overdue for 30 days?				
Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	

In “Yes”, please specify details.

7.3. Other information as you may consider important

8. I hereby assure that the information contained in this document is accurate and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.

Name, last name of the executive
director (chairman of the executive)
board of the bank _____

Signature _____

Date _____
day/month/year

BOARD MEMBERS ACTIVITY GUIDE

1. *This guide defines the minimum requirements for the Board, Board members and their activity prescribed by chapter 2 and chapter 7 of the Law of the Republic of Armenia “On banks and banking”.*

2. *The Board of a bank governs activities of that bank. The Board determines the main directions of bank’s activities, approves its long-term development strategy of the bank, oversees the activities of the executive management and reports to the bank’s shareholders.*

1. Business skills and behavior of Board members

3. *Each board member must have a balancing role between the bank and its shareholders, must be conscientious and fully informed, exercise independent and sensible judgment in decision making.*

1) Application of Board member’s independent judgment in decision making process means that the Board member must act impartially and unbiased in conflicting and problematic situations. For instance, the Board member takes into consideration the interests of the minority shareholders, assesses the performance of the Board and executive management objectively, makes fair decision with regard to compensation of Board members and executive management, bank reconstruction, etc.

2) To ensure independence of his/her decisions the Board member must not be affiliated with other Board members or members of executive body through economic, family relations or other links. The Board member may not be other employee of the bank simultaneously. The Board member may not simultaneously be a board member, executive manager or other employee of any other bank or credit organization either, except only in the case when the bank and the other bank or credit organization are affiliated.

3) Board member must be fully informed of the current activities of the bank, bank inherent risks, long-term development programs, as well as banking legislation, particularly, Law on Banks and Banking, Law on the Central Bank of the Republic of Armenia, Law on Bank Secrecy, legislation governing legal-organizational types, securities market, tax legislation, banking regulations, bank’s Charter, policies, regulations and procedures established by bank General Assembly and the Board.

4. *Each Board member must devote sufficient time to ensure adequate and effective implementation of his/her duties.*

1) Board member of the bank must realize that aligning the position of Board member with other activities may negatively affect efficient implementation of his/her duties and general management of the bank.

5. Each Board member must continuously improve his/her competency.

1) For the efficient implementation of own duties, as well as improvement of board practices and the performance of its members, Board member must continuously extend and improve his/her

knowledge by participating in trainings and via self-learning. The latter also relates to being informed of new legislation and regulation requirements, as well as changing situation in the bank and its current risks.

2. Mission of the Board and responsibilities of Board members set by law

6. The mission of the Board is to add shareholder value (increase market price of shares) and protect interests of other stakeholders of the bank. Taking this into account, the Board represents, protects and acts in the interest of shareholders and other stakeholders (all the persons, including bank shareholders, creditors, employees, etc., who support the long term growth and competitiveness of the company via their contribution (human resources, professionalism, capital, etc.)).

7. Exclusive rights of the Board include:

- 1) Determination of the main activities of the bank, including approval of the bank's long-term development strategy;
- 2) Convening annual and special sessions of the General Assembly, approval of the agenda, as well as ensuring preparatory arrangements regarding assembling and conducting the sessions;
- 3) Appointment of members of the executive body, early termination of their powers and approval of the terms and conditions of their remuneration;
- 4) Establishment of internal control standards in the bank, internal audit unit in the bank, approval of internal audit unit's annual work plan, early termination of the powers of internal auditors and approval of terms and conditions of their remuneration;
- 5) Endorsement of the bank's annual expense estimates and their performance;
- 6) Endorsement of the bank's internal administrative and organizational structure;
- 7) Increase of statutory capital of the bank, if the Board is authorized thereto by the Charter or decision of the General Assembly;
- 8) Suggesting the General Assembly on payment of dividends, including filing list of the authorized shareholders for each dividend, including formation of list of the bank's participants, having right to get dividends; as well as the power to make decisions on the payment, size and means of interim (quarterly and semiannual) dividend payments;
- 9) Preliminary approval of the bank's annual financial reports and their submission to the General Assembly;
- 10) Submission of bank's external audit organization for its approval by General Assembly;
- 11) Determination of remuneration size of the bank's external auditor;
- 12) Initiation and monitoring of implementation of measures aimed at eliminating deficiencies identified during audit and or other examinations;
- 13) Approval of internal regulations regarding implementation of financial operations in accordance with the Law of the Republic of Armenia "On banks and banking";
- 14) Approval of Charters of territorial and independent structural units of the bank, distribution of procedural responsibilities among independent structural units of the bank;
- 15) Introduction of the following issues for the session of the General Assembly:
 - a. bank reorganization,
 - b. establishment of subsidiaries or affiliated companies,

- c. equity investment in subsidiaries or affiliated companies,
 - d. establishment of unions of commercial organizations,
 - e. participation in unions of commercial organizations,
 - f. determination of Board members' remuneration size,
 - g. decision to issue bonds or other securities;
- 16) Decision to issue bonds or other securities;
 - 17) Utilization of bank's reserve and other funds;
 - 18) Establishment of bank's branches, representative offices and institutions;
 - 19) Determination of the bank's accounting policy: principles, basis, methods, rules, forms and procedures of execution of accounting and preparation of financial statements.

8. The exclusive powers of the Board may not be transferred to other managerial bodies within the bank or other persons.

9. The exclusive powers of the Board include also:

- 1) The decision-making on major transaction (the major transactions are transactions specified by Article 39.1 "Major Transactions for Acquisition and Disposal of Bank's Property" of the law of the Republic of Armenia "On banks and banking") the subject of which is the property and the value of which, at the moment of the decision-making on conducting a transaction, is 25 to 50 percent of the book value of bank's total assets. Further, this decision must be adopted unanimously by the Board. If the decision on conducting the transaction is not accepted by the Board, then the Board is empowered to make a decision on discussing the issue at the General Assembly.
- 2) The approval of the below-mentioned transactions (by the submission of the chief executive officer of the bank) between the bank and the parties affiliated with the bank (parties stated in Article 39 of the law of the Republic of Armenia "On banks and banking" are considered as parties affiliated with bank):
 - a. acceptance of demand and time deposits,
 - b. provision of loans,
 - c. debt and commercial transactions financing, factoring,
 - d. issue of bank guarantees and letters of credit,
 - e. securities issue, implementation of purchase and sale and other similar operations,
 - f. implementation of investment and subscription activities,
 - g. provision of the financial agent (representative) services,
 - h. management (trust management) of customers' securities and investments,
 - i. purchase and sale, as well as management of, bank bullions (standard bars) of precious metals and coins,
 - j. financial leasing,
 - k. rendering of financial and investment consultancy services,
 - l. implementation of specific processes aimed at debt collecting.

10. 5. The functions of the Board include also:

- 1) Introduction of proposals at the General Assembly regarding the candidates of bank Board members,
- 2) the function of confirming the workplaces of the bank,

- 3) In case of being assigned to the Board by the Charter of the bank or the decision of the General Assembly:
- a. establishment of subsidiaries or dependent companies,
 - b. participation in subsidiaries and dependent companies,
 - c. establishment of trade unions,
 - d. involvement in trade unions,
 - e. establishment of the size of the Board members' remuneration,
 - f. Increase of the bank's statutory capital,
 - g. decision-making on concluding the transaction with interest (transactions with the existence of interest are the such transactions concluded with parties as stated in Article 39.3 "Concerned parties in Bank's transactions" of the Law of the Republic of Armenia "On banks and banking").

Further, when making a decision on concluding the transaction with interest, the Board member, who is a concerned party in this transaction, shall be obliged not to participate in the voting. If the Board member is recognized as concerned person and the bank has suffered losses by his fault, then the latter shall bear the responsibility to the extent of the damage caused to the bank. The person shall be exempt from bearing the responsibility defined in this part, if he/she had been operating in good faith, did not know or could not have known that by the conclusion of the transaction the bank would bear losses.

11. 6.The Board of the bank has the following responsibilities:

- 1) If based on the reports submitted to the Board violations of laws, other legal acts and internal regulations of the bank are revealed, the Board is obliged to undertake measures to eliminate those violations and prevent them from repeating in future.
- 2) At least once a year the Board of the bank shall discuss at its session the external audit report (a letter to the management), as well as discuss and in case of necessity review the main directions, strategy, orders and other internal regulations of the bank.
- 3) At least quarterly the Board of the bank shall discuss the reports of bank's internal audit department, Chief Executive Officer (management) and Chief Accountant in the order and form determined by the Board.

3. The accessibility of information to the Board members, the disclosure of information by the Board members

12. To perform his duties properly the Board member requires accurate, complete and timely information about the activities of the bank, in particular by approving the formats, procedure and frequency of the reports to be submitted to the Board. The mentioned information must be sufficient for ensuring effective decision-making continuous process.

13. The Board member shall be aware that the following information related to him/her is to be published and available to the public:

- 1) Name, date of birth, biography,
- 2) Information on loans and other borrowings (including repaid ones) received from the bank by the Board member and entities affiliated to him (parties specified by Article 8 "Affiliated entities" of the law of the Republic of Armenia on "On banks and banking") during the preceding year,

3) General liabilities of the Board member to the bank in respect of loans and other borrowings.

14. The Board member shall be aware that the information on his entire remuneration received from the previous year must be available to all the shareholders.

4. Organization of the working process of the Board member, rights and obligations prescribed by law

15. The Board member shall participate in the sessions of the Board. The procedure for convening and conducting the sessions of the Board shall be defined by the Charter of the bank. In accordance with the Law of the Republic of Armenia on "On banks and banking" (hereinafter referred as "Law"), the sessions of the Board of the Bank shall be convened at least once in two months. Further, each Board member has the right to convene a special session of the Board.

16. The Board member has only one vote during the voting, and the transmittal of vote and voting rights to another person, including any other Board member is not allowed.

17. The Board member, who has participated in the session, shall sign the protocol of the session and take a statutory responsibility for the accuracy and reliability of the information available in the protocol. The protocol particularly involves the questions put to voting, the voting results by each Board member who has participated in the session, opinions of the Board members and other persons participating in the session of Board on the questions put to voting.

18. For the purpose of efficient work organization, as well as for providing the market participants with additional guarantee to for the protection of their interests, the Board of the bank can form committees adjacent to the Board, for example, "audit committee or commission", "risk management committee", "remuneration and nomination committee", etc.. Both members of the Board of the bank and other managers and employees of the bank may be included in those committees.

5. The term of office and termination of powers of the Board member defined by Law

19. The Board member shall be remunerated by the bank. The remuneration of bank Board members shall be determined by the General Assembly, if this right is not transferred to the Board.

20. Bank Board member's term of office shall be stated in the statute, however, according to the Law, it shall not be less than one year.

21. The Board member shall be early terminated by the General Assembly in accordance with his/her application. The powers may also be terminated if the following grounds are present:

- 1) the Board member has been adjudged disabled or partially disabled in accordance with the court decision, which has lawfully entered into force;
- 2) During the Board member's term of office such circumstances have come to light, on the basis of which a person should be prohibited from being a member of the bank Board (bank manager);
- 3) the Board member was absent without leave from at least 1/4 of the Board sessions during the year, or was absent from half of the Board sessions (including with or without leave) in total,
- 4) the Board member was disqualified or deprived of the right to hold certain positions in accordance with the Law.

22. The Board member may also be early terminated from office given, that the bank compensates the salary for the remaining period of performing functions (if the period exceeds one

year, then for one year). The bank has the right to claim in the court the compensated salary from the Board member terminated from office by proving the fact of the omission of official duties by the Board member.

6. The Board member responsibilities prescribed by Law

23. While performing his/her duties, the Board member shall act in accordance with interests of the bank, exercise his/her rights and perform his/her obligations in respect of the bank in good faith.

24. The Board member is responsible in accordance with the legislation of Republic of Armenia for the actual damage caused to the bank as a result of his/her intentional actions (inaction). Those Board members who voted against the decision which caused damage to the bank or were not present at the Board session, shall be exempt from responsibility for the damage caused to the bank.

25. The Board members' responsibility include, but is not limited to the following possible cases:

- 1) When the bank suffers losses as a result of provision of loans, credits or conduct of other transactions with violation of established prudential ratios relating to the maximum risk on a single borrower, large borrowers, related parties (for the conclusion of which the Board decision is required by Law), the bank's Board members and the Chief Executive Officer must bear joint responsibility for the compensation of the actual damages caused to the bank,
- 2) If the reports, submitted to the Board, have revealed violations of laws, other legal acts and internal regulations of the bank, and further the bank suffered losses caused by the same violations, then the Board members must bear joint and responsibility for the compensation of the actual damages, unless the Board member within his/her jurisdiction has undertaken the necessary and reasonable actions to prevent the violations.

26. The Board member shall be exempt from responsibility for damage caused to the bank, if he/she has acted in good faith being convinced that his/her actions derive from the bank's interests. In particular:

- 1) If decisions were made based on reasonable business logic, even if in the future the bank suffered such losses, the origin of which was clearly taken into account as a business risk when making that decision,
- 2) If incorrect or incomplete decisions by the Board member were made in good faith, without an intention to cause damages and if by that decision-making the requirements of laws or other legal acts have not been violated.

27. The termination of office of the Board member does not exempt him from the responsibility for damage caused to the bank by his fault.

28. The Central Bank may remove the Board member from registration, if the latter:

- 1) has a criminal record for deliberately committed crime;
- 2) has been deprived of the right to hold positions in financial, banking, taxation, customs, trade, economic and legal areas by court;
- 3) is recognized bankrupt and has outstanding (remitted) liabilities;
- 4) does not meet the professional standards relating to qualifications or professional knowledge established by the Central Bank;
- 5) has previously committed such an act, which, in the opinion of the Central Bank, gives grounds to suspect that the person, as a manager of the bank, cannot properly manage the

relevant banking sector, or his/her actions may lead to the bankruptcy, deterioration of financial condition of the bank or harm its image and business reputation;

6) is involved in a criminal case as a suspect, accused or defendant.

7. The Chairman's responsibilities prescribed by Law

29. The Chairman of Board of the bank may not simultaneously be the bank's Chief Executive Officer. The Chairman of the Board of the bank is elected by the Board from among the members of the Board.

30. The Chairman of the Board of the bank:

- 1) coordinates the activities of the Board;
- 2) convenes and chairs the Board's sessions them;
- 3) organizes the filing of Board's session minutes;
- 4) chairs the General Assembly sessions;
- 5) organizes the activities of the committees adjacent to the Board.

The Chairman of the Board also signs the decisions of the Board and bears responsibility for the reliability of the information in those decisions.

Appendix 42
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”
Regulation 1

Petition on adequacy and registration of the manager

To: _____
Chairman of the Central Bank of
the Republic of Armenia

Dear _____

We would like to ask you to:

☐ grant a qualification certificate to _____
(the name, surname, middle name, date of birth (day/mont/year) of the
candidate of the manager)

(identification document data (data on previous and current passports/identification card))

(social services number) (the beginning of office)
without checking the qualification through examination

☐ register

(the name, surname, middle name, date of birth (day/mont/year) of the candidate of the manager)

(identification document data (data on previous and current passports/identification card))

(social services number) (the beginning of office)

as _____
(name of the bank, position of the manager)

I assure, that all the procedures of examination and appraisal of adequacy and fit and proper of
_____ have been executed, and the latter is complaint with the
(name, surname of the manager)
requirements, specified by the legislation of the Republic of Armenia for registration for the position of
_____.
(position)

Name, surname, signature of the person,
authorized by the management body of the bank

« » _____ 20____

(Appendix 42 was added by Resolution No 239-N, dated 20.12.16)

Appendix 43

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

THE MINIMUM BENCHMARK REQUIREMENTS FOR PROCEDURES OF SELECTION, APPRAISAL OF FIT AND PROPER AND PROFESSIONAL QUALIFICATION OF BRANCH MANAGERS BY THE BANKS

1. The banks’ procedures (guideline) on selection and appraisal of adequacy of branch managers (head of the branch and chief accountant of the branch) should at least include the following sections:

- Purpose of the document
- The information submitted by the candidates
- The procedure of appraisal of professional qualities by the bank
- The sources of collection of information by the bank, necessary for appraisal of fit and proper
- Analysis and summarization of the collected information
- Making of the decision on appointment of the candidate
- The ways of conduction of on-going supervision
- Information archiving.

2. When describing the procedures, required by the specified sections, the bank clearly mentions those units and/or persons, which participate in the respective procedure of analyzing and making decision on appointment of branch managers. Each procedure should be described as detailed as possible.

3. The **“Purpose of the document”** section describes the subject of regulation of the document.

4. **“The information submitted by the candidates”** section describes the documents, which should be submitted to the bank by the candidate. The bank should require submitting the documents, which will at least disclose the information, specified by the “Statement about the manager and his/her activity”, required by the Central Bank for registration of the manager.

5. **“The procedure of appraisal of professional qualities by the bank”** section describes the requirements on qualification and professional adequacy of branch managers. Moreover, the given requirements at least should comply with the requirements, specified for the branch managers by the Central Bank. The bank may set stricter requirements on qualification and professional adequacy. In this section, the bank also describes the procedures, which exist at the bank for ensuring the appraisal of the branch managers’ qualification adequacy.

This section should also describe the procedures on those managers, who are the employees of the bank or have returned from a long-term vacation and should be again appointed on a managerial position or have moved from a managerial position of one branch to a managerial position on another branch on a rotational basis.

6. **“The sources of collection of information by the bank, necessary for appraisal of fit and proper”** section describes the scope of information, collected about the manager and his/her affiliated parties, and all those sources, from where the bank collects the information about the branch manager and his/her affiliated parties. The followings should serve as mandatory sources of information collection:

- Credit registry,
- Electronic system of the State register (www.e-register.am)
- Police of the Republic of Armenia, and in case of non-residents – InterPol
- Judiciary information system (www.datalex.am)
- Internet
- Social networks.

The bank may define additional sources of information collection. Moreover, the bank should clearly describe, what information it collects from the each source and how.

7. The “**Analysis and summarization of the collected information**” section describes the procedures of analyzing and summarizing of the information collected about the branch managers. The bank also describes the procedures, which apply in case of disclosure of problematic information.

8. The “**Making of the decision on appointment of the candidate**” section presents the procedure of making of the decision on appointment, based on the summarized information.

This section should include the appointment of the bank’s employee as a branch manager, appointment of a manager, who has returned from a long-term vacation, as a branch manager; and the procedures, regulating the appointment of a manager of one branch as a manager of another branch.

9. “**The ways of conduction of on-going supervision**” section describes the methods and periodicity of applying the supervisory procedures, executed towards the managers, registered in accordance with the procedure, specified by point 186.1 of Regulation 1.

10. The “**Information archiving**” section describes the procedure of archiving and keeping of the collected information.

(Appendix 43 was added by Resolution No. 239-N, dated 20.12.16)

Appendix 44

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Banks”

Regulation 1

STATEMENT
About the manager and his/her activity

Attach your photo here	
<input type="checkbox"/> Please check this box if only the changes are submitted in the statement	
1. Information on the financial institution <i>(please indicate the information about the organization where you will be a manager)</i>	
1.1. The name of the financial institution and the code (if available) (for the managers of a branch, please, indicate also the name of the branch and the code given to the financial institution by the Central Bank)	
2. Managing position	
2.1 Managing position that you shall occupy in the organization mentioned in point 1.1 <ul style="list-style-type: none"> <input type="radio"/> branch manager (executive director) <input type="radio"/> chief accountant of a branch 	
2.3. Describe the areas of your authorities and liabilities as a manager, in accordance with your job description, employment contract	
3. Personal information	
3.1. First name, last name, middle name	
3.2 Sex <ul style="list-style-type: none"> <input type="radio"/> male <input type="radio"/> female 	
3.3 Date of birth (day/month/year)	
3.4 Place of birth	
3.5 Nationality	
3.6. Indicate <ul style="list-style-type: none"> <input type="radio"/> Passport data 	

- Data on other passports in use (in case of existence)
- Data on the old passport (in case of existence)

3.7 Indicate

- Social services number
- Not applicable

3.8 Indicate

- Place of registration
- Place of residence

3.9 Phone number

- Cell:
- Home:

3.10 E-mail address

3.11 Indicate all the previous names, surnames, middle names you had, and the respective periods

First name, Surname, Middle name

Beginning of the period
(day/month/year)

End of the period
(day/month/year)

4. Education, qualification, work experience

4.1

The name of the higher education institution, the name of the international qualification	Address of the higher education institution	Time period of education at the higher education institution (from ... to ...)	Faculty	Profession	Academic degree	The level of international qualification

4.2 How many languages do you know?

- Armenian
- English
- Russian
- other (indicate the language)

4.3 Indicate the following information on the working experience for the last ten years (information on actual working experience should be mentioned, irrespective whether it was mentioned in the employment history or not).

Time periods of admission and dismissal	The name of the organization	Area of activity of the organization	Place of location	Phone number	Position, main responsibilities	Dismissal basis	Check the box, if the data is not mentioned in the employment history

4.4 Provide information (by the moment of submission) on maximum 3 persons who know you personally, who, if necessary, can provide recommendation (guarantee) for you. One of those persons should be from the place of your last work (place of the last work is considered to be the previous organization, where you have worked), and the other two should not be from the organization, where you intend to work, but they should work or should have worked in the financial system

<i>First name, last name</i>	<i>Place of work and its address</i>	<i>Position</i>	<i>Working period in the financial system</i>	<i>Phone number, e-mail address</i>

- Not applicable, if there are no persons, required in this point

5. Other information on the manager (responsible person)

5.1 Have you been adjudged disabled or with limited capacity in conformity with the RA legislation

- No,
- Yes, provide the details

5.2 Have you been convicted of committing an intentional crime?

- No,
- Yes (provide details, including the cases where the conviction was removed or quashed in accordance with the law)

5.3 Have you been deprived of the right to fill a post in financial, tax, customs, trade, economic or legal sectors by a court award?

- No
- Yes, provide details

5.4 Have you been adjudged insolvent, or do you have outstanding liabilities?

- No,

- ☐ Yes, provide details

5.5 Have you been placed into the dock by the national or foreign law machinery as a criminal suspect, defendant, or accused?

- ☐ No,
- ☐ Yes, provide details

5.6 Have you ever been subjected to a criminal liability for committing a crime prescribed by the Criminal Law of the Republic of Armenia or other state's criminal laws?

- ☐ No,
- ☐ Yes, provide details

5.7 Was a financial organization operating in the RA or in a foreign country adjudged insolvent or bankrupt during the period of your term in office, or did the financial performance of the financial organization operating in the RA deteriorate in comparison with the criteria established by the RA Central Bank Board because of your action or inaction?

- ☐ No
- ☐ Yes, provide details

5.8 Was a financial organization registered in RA or in a foreign country adjudged insolvent or bankrupt because of your action or inaction during the period of your term in the office?

- ☐ No,
- ☐ Yes, provide details

5.9 Have you been fined by the Central Bank or a financial organization during the last one year while performing as a manager of the given financial organization?

- ☐ No,
- ☐ Yes, provide details

5.10 Has your qualification certificate been revoked, on the basis and in accordance with respective laws regulating the activity of financial organizations?

- ☐ No,
- ☐ Yes, provide details

6. Significant participation and affiliation

6.1 *Indicate the information, required in the table, about those financial organizations, as well as non-financial organizations that are considered as reporting issuer companies, where you have or during the last five years had significant participation in the statutory capital.*

Indicate your participation starting from the largest participation at present.

<i>The name of a financial organization (a non-financial organization considered as a reporting issuer company)</i>	<i>Time period (In case of the former significant participation, indicate the period of participation)</i>	<i>Participation amount (%)</i>	<i>Number of shares</i>	<i>Total amount (in drams)</i>

- Not applicable, if you do not have or have not had a participation, mentioned in this point

6.2 Indicate the information, required in the table, about those financial organizations, as well as non-financial organizations that are considered as reporting issuer companies, where the parties, affiliated with you, have or during the last five years had significant participation in the statutory capital.

Indicate participations starting from the largest participation at present.

(The affiliation should be considered in accordance with the respective law, regulating the banking activity, and in case of reporting issuer companies, in accordance with the Law of the Republic of Armenia “On securities market”. In this regulation, the information about family members is being filled only for the parents, spouse, children, sister and brother (with the joint household))

<i>The name of a financial organization (a non-financial organization considered as a reporting issuer company)</i>	<i>Time period (In case of the former significant participation, indicate the period of participation)</i>	<i>Participation amount (%)</i>	<i>Number of shares</i>	<i>Total amount (in drams)</i>

- Not applicable, if there is no such affiliated person, mentioned in this point
- Not aware of, if you do not have the information, mentioned in this point

6.3 Indicate

- the following information on affiliated persons who work or have worked in the financial sectors or in a reporting issuer company.

(The affiliation should be considered in accordance with the respective law, regulating the banking activity, and in case of reporting issuer companies, in accordance with the Law of the Republic of Armenia “On securities market”. In this regulation, the information about family members is being filled only for the parents, spouse, children, sister and brother (with the joint household)).

<i>Name, Surname</i>	<i>Time period (for the persons, who have worked previously in the financial system (reporting issuer companies) fulfill the time period of working in the respective financial organization (reporting issuer companies))</i>	<i>Passport data</i>	<i>Type of affiliation</i>	<i>Place of work</i>	<i>Position</i>	<i>Place of residency, phone number (cell and other)</i>

- Not applicable, if there is no such affiliated person, mentioned in this point

7. Cash (or other) liabilities

7.1 Do you have any cash or other liabilities towards the financial organization where you are going to work as manager?

- No
- Yes, provide details (the sum, time period, etc.)

7.2 Do the parties, affiliated with you, have any cash or other liabilities towards the financial organization where you are going to work as manager?

- No
- Yes, provide details (the sum, time period, etc.)
- Not aware of

7.3 Do you have or have you had any outstanding liabilities towards a financial organization operating within the Republic of Armenia?

- No,
- Yes, provide details (the name of a financial organization, the sum, time period, etc.)

7.4 Do the parties, affiliated with you, have or have had any outstanding liabilities towards a financial organization operating within the Republic of Armenia?

- No,
- Yes, provide details (the sum, time period, etc.)
- Not aware of

8. Other information

8.1 Indicate

- the following information on the natural persons affiliated with you (except for the persons indicated in point 6.3)

<i>Name, Surname</i>	<i>Passport data</i>	<i>Type of affiliation</i>	<i>Place of work</i>	<i>Position</i>	<i>Place of residency, phone number (cell and other)</i>
--------------------------	----------------------	----------------------------	----------------------	-----------------	--

- Not applicable, if there is no such affiliated person, mentioned in this point

8.2 Indicate

- the following information on the legal persons affiliated with you.

<i>Name of the organization</i>	<i>Address</i>	<i>Type of affiliation</i>	<i>TIN</i>	<i>Phone number (Cell and other)</i>

- Not applicable, if there is no such affiliated person, mentioned in this point

9. In your opinion, is there any other important information you would like to mention?

- No,
- Yes, provide details

10. I hereby certify that

- the information containing in this document is reliable and comprehensive
- there are no grounds for rejection of registration of the manager, defined by respective laws and procedures

I hereby agree, that the Central Bank of the RA may require additional information and documents, as well as apply to respective authorities for checking the authenticity of the information, submitted by this statement, protecting the confidentiality of the information.

Date (day/ month/year) _____

The signature of the manager presented for registration

Attach the sample of the
signature here

(Appendix 44 was added by Resolution No. 30-N, dated 03.02.17)