

RESOLUTION OF THE BOARD OF THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA

No 02/05/2011

On Approval of Regulation 10/01

“REGISTRATION AND LICENSING OF INVESTMENT FUND MANAGEMENT COMPANIES AND BRANCHES OF FOREIGN INVESTMENT FUND MANAGEMENT COMPANIES, REGISTRATION OF BRANCHES OF INVESTMENT FUND MANAGEMENT COMPANIES AND REPRESENTATIVE OFFICES OF INVESTMENT FUND MANAGEMENT COMPANIES AND FOREIGN INVESTMENT FUND MANAGEMENT COMPANIES, RE-REGISTRATION AND RE-LICENSING OF INVESTMENT COMPANIES AS INVESTMENT FUND MANAGEMENT COMPANIES, ACQUISITION OF QUALIFIED HOLDING IN STATUTORY FUND OF INVESTMENT FUND MANAGEMENT COMPANIES, PROCEDURE, FORMS AND PERIODS OF SUBMISSION OF BUSSINESS PLANS, REPORTS ON THEIR AMENDMENTS AND EXECUTION BY INVESTMENT FUND MANAGEMENT COMPANIES, THEIR BRANCHES AND BRANCHES OF FOREIGN INVESTMENT FUND MANAGEMENT COMPANIES”

Given that one of the major goals for the Central Bank of the Republic of Armenia stipulated by law is formation and maintenance of the system for protection of investors in securities market, and formation of fair prices on securities, creation of preconditions for sustainable and regular operation and development of fair, transparent and reliable securities market, and ensuring protection of rights and legitimate interests of investors in the financial system;

furthermore, the activities of investment fund management companies are directly related to explicitly attacked means from public, effective management of which is the key role of investment fund management companies;

whereby inconsistent management of an investment fund may lead to loss of fund assets, compromising interests of the investors and creating uncertainty both in securities market and the financial system as a whole;

furthermore, that in order to perform management of investment funds by investment fund management companies they must be licensed, as it allows to grant access to financial market only for companies with adequate financial, technical and organizational capabilities, high professional capacities and commitment to fiduciary standards that have streamlined and realistic plans of future business and are fully aware of the challenges which they face;

whereby acquisition of qualified holding in the statutory capital of investment fund management, including increase of such holding to the extent defined by law, allows to

predetermine and influence operations of investment fund management companies, for which provision of prior consent by the Central Bank of the Republic of Armenia is subject to submission of information and documents to the Central Bank of the Republic of Armenia by person planning to acquire such holding, which would substantiate that funds contributed for acquisition of holding have legal source, holding will not lead to restriction of free competition in the fund management sector and that person acquiring qualified holding of person affiliated with it will not endanger financial performance, compromise business reputation and goodwill of investment fund management company through their voting power when decisions are made by the management body of investment fund management company;

furthermore that in order to take a decision on registration and licensing of investment fund management company the Republic of Armenia Central Bank must have sufficient information with the view to ensure maximum protection of investors' rights;

seeking to

define the scope of information required from founders, which would be sufficient in order to have a clear picture about the newly-created company and license it in accordance with law;

define the scope of information required from founders for registration at the Central Bank, which would be sufficient in order to monitor business operations of the company;

and pursuant to the Law of the Republic of Armenia "On Investment Funds", Article 53 (5); Article 54 (1), (2), (4) and (5); Article 55, (3); Article 56, (1)(10); Article 57, (2); Article 58, (1) (10), (3) and (4); Article 60, (2); Article 61, (1)(4) and (4); Article 62; Article 66, (1); the Law of the Republic of Armenia "On Funded Pensions" Article 42, (3), subject to the Law of the Republic of Armenia "On Central Bank", Article 20, (e) and the Law of the Republic of Armenia "On Legal Acts", Article 16, (1);

the Board of the Central Bank of the Republic of Armenia

Decides:

1. Approve Regulation 10/01 "Registration and Licensing of Investment Fund Management Companies and Branches of Foreign Investment Fund Management Companies; Registration of Branches of Investment Fund Management Companies and Representative Offices of Investment Fund Management Companies and Foreign Investment Fund Management Companies; Re-Registration and Re-Licensing of Investment Companies as Investment Fund Management Companies; Acquisition of Qualified Holding in Statutory Fund of Investment Fund Management Companies; Procedure, Forms and Periods of Submission of Business plans, Reports on their Amendments and Execution by Investment Fund

Management Companies, their Branches and Branches of Foreign Investment Fund Management Companies”, in accordance with Appendix (see attached).

2. This Resolution shall enter into force on the tenth day after promulgation.

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

Artur Javadyan

“REGISTRATION AND LICENSING OF INVESTMENT FUND MANAGEMENT COMPANIES AND BRANCHES OF FOREIGN INVESTMENT FUND MANAGEMENT COMPANIES; REGISTRATION OF BRANCHES OF INVESTMENT FUND MANAGEMENT COMPANIES AND REPRESENTATIVE OFFICES OF INVESTMENT FUND MANAGEMENT COMPANIES AND FOREIGN INVESTMENT FUND MANAGEMENT COMPANIES; RE-REGISTRATION AND RE-LICENSING OF INVESTMENT COMPANIES AS INVESTMENT FUND MANAGEMENT COMPANIES; ACQUISITION OF QUALIFIED HOLDING IN STATUTORY FUND OF INVESTMENT FUND MANAGEMENT COMPANIES; PROCEDURE, FORMS AND PERIODS OF SUBMISSION OF BUSSINESS PLANS, REPORTS ON THEIR AMENDMENTS AND EXECUTION BY INVESTMENT FUND MANAGEMENT COMPANIES, THEIR BRANCHES AND BRANCHES OF FOREIGN INVESTMENT FUND MANAGEMENT COMPANIES”

REGULATION 10/01

SECTION I: GENERAL PROVISIONS AND MAIN CONCEPTS

CHAPTER 1. SCOPE OF REGULATION

1. The present Regulation shall establish:
 - 1) Procedure on registration and licensing of a management company (hereinafter: management company) of investment funds (hereinafter: fund) operating in the territory of the Republic of Armenia;
 - 2) Procedure on registration and licensing of branches of foreign management company;
 - 3) Procedure on registration of branches and representative offices of a management company operating in the territory of the Republic of Armenia;
 - 4) Procedure on giving assent to the creation of foreign branches and representative offices of a management company outside of the Republic of Armenia;

- 5) Procedure on registration of representative offices of a foreign management company operating in the territory of the Republic of Armenia;
 - 6) Procedure on re-registration and re-licensing of investment companies as management companies;
 - 7) Procedure on obtaining prior consent to acquisition of qualified holding in management company's statutory capital;
 - 8) Procedure and periods of submission of business plan forms, as well as provision of business plans and amendments thereto to management company, its branch and branch of a foreign management company;
 - 9) Procedure on registration of changes relating to management company;
 - 10) Requirements on business premises and facilities of management company.
2. All documents required by the present Regulation shall be delivered to the Central Bank in printed form and Armenian language (unless defined otherwise by this Regulation) by a courier letter, or personally handed at the Central Bank or filed electronically through CBA-Net system, except information about directors established in Appendix 5 to this Regulation, which shall be filed exclusively electronically through CBA-Net system, or where unavailable, through electronic device. Whereas, information on management companies shall be provided in MS excel format. Copies of the delivered documents shall be signed by management company's competent person and contain inscription "authentic with original".
- 2.1 Charters of the operating management company, branch of a foreign management company, representative offices of a foreign management company, and territorial branches of a management company within the Republic of Armenia (including amendments and supplements therein) shall be submitted to the Central Bank electronically as a scanned PDF files with electronic-digital signature made through CBA-Net system, or where unavailable, through electronic device. Charters of the newly established management company (except in case of re-licensing and re-registration of an investment company as a management company), branches of a foreign management company, and representative offices of a foreign management company shall be provided as a hardcopy, whereby, following registration or licensing by the Central Bank, after being connected to CBA-Net system and obtaining the respective security certificates, Charters registered by the Central Bank shall be resent to the Central Bank electronically as a scanned PDF files with electronic-digital signature made through CBA-Net system, or where unavailable, through electronic device.
- 2.2 Scanned versions of Charters of the operating management company, branch of a foreign management company, representative offices of a foreign management company, and territorial branches of a management company within the Republic of Armenia (including amendments and supplements therein) shall be placed on "file.cba.am" electronic

webpage within three working days after their registration by the Central Bank. Whereas registered Charters (including amendments and supplements therein) shall be provided to the respective person in electronic format, through CBA-Net system, or where unavailable, through electronic device. Whereas, three-day period for a newly registered management company (excluding the case when investment company is re-licensed or re-registered as a management company), branches of a foreign management company and representative offices of a foreign management company shall be calculated from the day when electronic versions of the Charters were submitted to the Central Bank.

2.3 Charters, provided to the Central Bank in accordance with the procedure established by the present Regulation (including amendments and supplements therein) shall have front page in accordance with the form provided in Appendix 18 hereunder.

2.4 In cases established by this Regulation, when rates provided by rating organizations are applied, the following principles shall be complied with, unless defined otherwise by the present Regulation:

- 1) where an organization has been rated only by one of the rating companies defined in the present Regulation, only that rating shall be taken as a basis;
- 2) where an organization has been rated with two different rates by different rating companies defined in the present Regulation, the lowest rating shall be taken as a basis;
- 3) where an organization has been rated with three or more different rates by different rating companies defined in the present Regulation, the lowest rating among the two highest ratings shall be taken as a basis.

2.5 Where in cases established by law and other legal acts, statutory capital should be increased through opening a savings account at the Central Bank (for each case of increasing statutory capital), the Central Bank shall be provided with application on opening savings account in accordance with Appendix 19a of the present Regulation.

2.6 Where documents submitted to the Central Bank for obtaining license, registration or permission established by the present Regulation contain minor errors (typos, mistakes of non-legal nature, arithmetical errors and other similar inaccuracies), the Central Bank shall take the respective decision after correction of such errors. In such cases, the application is deemed received after the Central Bank has been provided with amended information and documents.

2.7 Upon submission of the documents to the Central Bank in accordance with the present Regulation, the applicant shall attach to the submitted documents “List of Submitted Documents” in accordance with Appendix 19b of the present Regulation, signed and sealed (where seal is available) by the competent person. The list shall provide documents submitted in accordance with the present Regulation in the respective sequence.”

- 2.8 The management company simultaneously can carry out the custody of the securities issued by him (except for mandatory pension funds). For this function the permission set in Article 52(5) (2) of the Law is considered to be given to all management companies. According to Article 52 (5) (2) of the Law the requirements on providing addition services set in this Regulation apply to management companies while performing the custody services for other management companies.

CHAPTER 2. MAIN CONCEPTS

3. Concepts used in this Regulation have the following meaning:
- 1) **Law** means the Law of the Republic of Armenia “On Investment Funds”;
 - 2) **service (services)** means service (services) specified by Article 52, (3) and (or) (4), or (4) and (5) of the Law;
 - 3) **investment company** means investment company performing management of securities portfolio defined by Article 5 (1) (5) of the Law of the Republic of Armenia “On Securities Market”;
 - 4) **financial organization** means bank, credit organization, insurance company, management company as well as other persons deemed financial organizations according to the laws and (or) other legal acts of the Republic of Armenia;
 - 5) **director** is the person deemed director of the management company, according to Article 65 of the Law;
 - 6) **Regulation 10/05** means Regulation 10/05 approved by the Central Bank Board Resolution No 115-N of May 2, 2011 “Qualification of Directors of Investment Fund Management Companies and Custodians and of Natural Persons Executing Management functions within the Management Companies and of Natural Persons Executing Custodian Functions within the Custodian, Criteria of their Professional Adequacy and the List of Topics for Checking their Professional Qualification”;
 - 7) **branch of a foreign management company** means branch of a foreign management company established in the Republic of Armenia;
 - 8) **rules of operation** means internal rules and codes of conduct regulating activities of directors and staff of the management company, according to Article 68 (1) (68) of the Law.
4. Other concepts used in this regulation are used in the same meaning as in Laws of the Republic of Armenia “On investment funds” and “On funded pensions”.

SECTION II. LICENSING AND REGISTRATION

CHAPTER 3. DOCUMENTS SUBMITTED FOR REGISTRATION AND LICENSING OF MANAGEMENT COMPANY

5. These documents are submitted to the Central Bank for registration and licensing as a management company:
 - 1) all documents defined by Article 54, part 2 of the Law, whereby:
 - a. application for registration and licensing is provided in accordance with Appendix 1 of this Regulation (for branch of a foreign management company - in accordance with Appendix 2);
 - b. application for permission to render service (services) is provided in accordance with Appendix 3 to this Regulation;
 - c. the business plan (hereinafter plan) is submitted according to Appendix 16 of this Regulation;
 - d. **(clause “d” is revoked);**
 - e. information about founders of management company shall be provided in accordance with Appendix 7 to this Regulation;
 - f. information about directors and staff members of the management company executing fund management function within the structure of the management company or on its behalf, as specified in Regulation 10/05, must be provided as application in accordance with Appendix 5 of this Regulation;
 - g. list and copies of documents confirming professional qualifications of staff members of the management company executing fund management function within the structure of the management company or on its behalf are provided according to Regulation 10/05;
 - h. application and attached documents for obtaining preliminary consent for acquisition of qualified holding in the statutory capital of management company of persons having qualified holding in the statutory capital of management company is provided according to Section III of the Regulation;
 - i. an application for registration of the brand name of the management company and other required documents are submitted according to joint-developed resolution of the Central Bank and the Ministry of Justice of the Republic of Armenia, as specified in the Article 54 (2)(4.1) of the Law.

- 2) copy of the certificate on state registration of ownership, rent (sub rent) or gratis use of premises of the management company (document stating commitment of a person having property right on the respective separated premises to convey it for gratis use, rent (sublease) or as an ownership to the management company in case of its registration and licensing). In the case of sub rent, the copy of the main rent agreement and the document confirming the right to submit the fixed asset for the sub rent shall be presented as well;
- 3) declaration to conform the premises and facilities of the management satisfy the criteria, established by the Central Bank, in accordance with Appendix 15 of this Regulation;
- 4) other documents on registration of directors and staff members of the management company executing fund management function within the structure of the management company or on its behalf are provided according to Regulation 10/05;
- 5) **sub-point 5 is revoked;**
- 6) information relating to the postal address on which persons authorized to represent the management company will be able to receive documents relating to the management company;
- 7) if the applicant is represented by a proxy, the letter of attorney issued in accordance with the legislation of the Republic of Armenia shall be provided as well;
- 7.1) information about legal and physical persons affiliated with management company respectively according to Appendix 17a and 17b;
- 7.2) information about legal and physical persons affiliated with legal and physical persons affiliated with management company respectively according to Appendix 17a and 17b;
- 7.3) last financial year's financial statements of legal persons affiliated with the management company (in the legal entity operates less than a year the above mentioned information is provided for the whole period of operation);
- 7.4) the independent audit opinion, which confirms the compliance of the financial statement with the accounting standards, which, pursuant to the Law of the Republic of Armenia "On Accounting", should be applied by the company when conducting accounting and preparing and presenting financial statements and for foreign legal persons the conformity of financial statements with International Financial Reporting Standards or other internationally recognized standards (if available). Moreover, in the case of an absence of the independent audit opinion for foreign legal entities, a link of an official web-site of the foreign country is submitted to the Central Bank to confirm that the accounting standards of the

country comply with International Financial Reporting Standards or with other internationally recognized standards;

7.5) if the reports defined in sub-points 7.3, 7.4 of this point or in the point 5.4 of this Regulation are respectively placed in a web-site of a legal person or group (association), the link of the above mentioned web-site is presented to the Central Bank;

8) while licensing a branch of a foreign management company:

- a. decision of the respective governing body of the foreign management company to establish a branch in the Republic of Armenia;
- b. document certifying that the parent management company has at least a one-year experience in fund management (also applies if the permission to manage a mandatory pension fund is granted)
- c. copies of the registration certificate of the foreign management company, charter or other constituent documents and the Armenian translations certified by notary (with notary signature and seal verified by embassy, consulate or apostil);
- d. copy of the document verifying permission for the management company to manage fund, issued by the authorized body of the country of registration of the foreign management company, and the Armenian translation certified by notary (with notary signature and seal verified by embassy, consulate or apostil); as well as permission or the decision of no objection of the authorized body to establish a branch in the Republic of Armenia (where such a provision is stipulated by legislation of the respective country);
- e. financial statements of the foreign management company for the last three years prepared in line with international accounting standards and their independent auditor's opinions;
- f. supporting document that the rating of foreign management company establishing branch according to rates given by Standard and Poor's, Fitch or Moody's rating agencies at least was "AA-" or "Aa3" as of the day of submitting the application mentioned in this point;
- g. supporting document that securities market regulation and (or) supervisory body of a country of registration of the foreign management company establishing a branch has signed IOSCO multilateral memorandum on "Consultation, cooperation and information exchange;
- h. a letter of guarantee (warranty) issued by the foreign management company establishing a branch that the foreign management company will promptly and without any condition (precondition) perform the liabilities of

the branch established in the territory of the Republic of Armenia if that branch failed to perform those;

- i. confirmation given by the authority exercising supervision of the investment sector in the country of registration of the foreign management company establishing a branch, that the foreign management company has not broken the requirements on prudential standards set by the authority exercising regulation and (or) supervision in the given country within two years prior to the date of submission of the application mentioned in this point to the Central Bank; if the activity of the foreign management company establishing a branch is less than two years, the confirmation should include the whole duration of its activity;
- j. declaration regarding the fact that the country of registration of the foreign management company establishing a branch is a cooperating country in fighting money laundering and financing terrorism, and/or there has been no declaration published by FATF or other international organization engaged in similar type of activity on money laundering and inconsistency of the terrorism financing system for the given country;
- k. documents verifying the opening of a deposit account in the Central Bank or with the consent of the Central Bank in any other bank operating in the territory of the Republic of Armenia. The amount of the deposit defined in this sub point, shall not be less than 20,000,000 drams of the Republic of Armenia or in foreign currency amount equivalent to 20,000,000 drams of the Republic of Armenia at the date of opening the account. Whereas, contract on the deposit account, provided hereof, shall entail that deposit may be withdrawn by the depositor exclusively subject to the Central Bank prior consent. At the same time, the foreign management company that opens a branch has assumed an unconditional obligation, according to which in cases when the amount of the deposit is subject to unconditional return, irrespective of the agreement between parties, within 5 days after withdrawing the deposit from the respective bank, the amount shall be installed as a deposit in the Central Bank or any other bank operating in the territory of the Republic of Armenia.

5.1 Information set in sub-points 7 and 8 of point 5 of this Regulation shall not be provided with regard to persons, which/who are:

- 1) persons acquiring qualified holding in the statutory capital of the management company and with regard to which/whom documentation (information) required for the person acquiring qualified holding in the statutory capital of the management company is provided;

- 2) persons controlled by the Central Bank;
- 3) international organization, or
- 4) organizations with international reputation and (or) having received a rating of “A-” or more from Standard and Poor’s or Fitch organizations or a rating of “A3” and more from Moody’s rating company (in case of the consent of the Board of the Central Bank).

5.2 Information defined in sub points 7.3 and 7.4 of point 5 of this Regulation shall not be submitted with regard to persons listed in this sub point, which are:

- 1) persons acquiring qualified holding in the statutory capital of the management company and with regard to which/whom documentation (information) required for the person acquiring qualified holding in the statutory capital of the management company is provided;
- 2) persons controlled by the Central Bank, which submit to the Central Bank balance sheets and financial statements in accordance with terms and conditions established by law and other legal acts; or
- 3) organizations having received a rating of “A” and “B” from the Central Bank of the Republic of Armenia, in case there is a written statement on the consent to use the information defined under sub points 7.3 and 7.4 of point 5 of this Regulation for purposes of control.

5.3 The management company submits to the Central Bank the list consisting of names, registration numbers and places of location of the affiliated legal persons, as well as of names, surnames, passport serial numbers and numbers of affiliated natural persons mentioned in sub points 1 and 2 of the point 5.1.

5.4 For legal persons affiliated with the management company, that are involved in the group (association) or within persons consolidating their financial statements based on any other grounds, information defined in sub-points 7.3 and 7.4 of point 5, hereof shall not be provided, instead, they shall submit the statements (information) stated in this point; moreover, in case of presence of an another affiliated person or a qualified holder in the same group or, on any grounds, in the group of persons compiling their financial statement, the statement (information) stipulated in Sub-points 1, 2 and 3 hereof, shall be furnished by one of them:

- 1) Organizational structure of the group (association);
- 2) Financial statement of the group (association) for the last fiscal year (legal persons with less than one year of operation shall submit the information for the whole period of their activity);
- 3) the independent audit opinion, which confirms the compliance of the financial statement of the financial group (association) with the accounting standards, which, pursuant to the Law of the Republic of Armenia “On Accounting”, should

be applied by the financial group (association) when conducting accounting and preparing and presenting financial statements and for foreign financial group (association) the conformity of financial statements with International Financial Reporting Standards or other internationally recognized standards (if available). Moreover, in the case of an absence of the independent audit opinion for foreign financial group (association), a link of an official web-site of the foreign country is submitted to the Central Bank to confirm that the accounting standards of the country comply with International Financial Reporting Standards or with other internationally recognized standards.

- 5.5 If statements (information) defined in sub-points 7.3, 7.4 of point 5 and in point 5.4 of the present Regulation are respectively placed in a web-site of a legal person or group (association), instead of the required information of the points mentioned above the link of the web-site shall be submitted to the Central Bank.
- 5.6 During registration and licensing of a branch of a foreign management company, the Central Bank may request statements (information) established in sub points of 7.3 and 7.4 of point 5 of this Regulation regarding legal persons affiliated with persons affiliated with the foreign management company, and if the legal persons affiliated with persons affiliated with the foreign management company are included within any group (association), or within persons consolidating their financial statements based on any other grounds, it may additionally request statements (information) established in point 5.4 of the Regulation.
6. If a document, stating the obligation of a person having property right on the respective separated territory to pass it for gratis use, rent (sub rent) or ownership to the management company in case of its registration and licensing, was provided in manner prescribed in point 5 of the Regulation, after being registered and licensed, according to the defined procedure, the management company shall within three months submit to the Central Bank copy of the certificate on registration of its title over the territory or copy of the lease (sublease) or gratis use certificate verified by notary. In case of sub rent, a copy of the main rent agreement shall be presented as well.

CHAPTER 4. DOCUMENTS SUBMITTED FOR PERMISSION TO RENDER A SERVICE (SERVICES) BY AN OPERATING MANAGEMENT COMPANY

7. In order to get a permission to render a service (services) an operating management company presents to the Central Bank:
 - 1) all documents defined in Article 54 (5) of the Law, moreover,
 - a. application for permission to render the respective service (services) must be verified by the competent management body of the management company and provided in accordance with Appendix 3 of this Regulation;
 - b. changes in the management company's plan, charter and rules of operation must be provided in accordance with Chapters 11 and 12 of this Regulation;
 - 2) the license issued by the Central Bank for reformulation.

CHAPTER 5. DOCUMENTS SUBMITTED FOR RE-REGISTRATION AND RE-LICENSING OF INVESTMENT COMPANIES AS MANAGEMENT COMPANIES

8. Documents submitted to the Central Bank for re-registration and re-licensing of investment company include:
 - 1) all documents defined by Article 57 (2) of the Law, moreover:
 - a. application on re-registration and re-licensing must be verified by the competent management body of the investment company and submitted in accordance with Appendix 8 of this Regulation;
 - b. application for obtaining permission to render service (services) must be verified by the competent management body of the investment company and submitted in accordance with Appendix 3 of this Regulation;
 - c. application on revocation of license must be verified by the competent management body of the investment company and submitted in accordance with Appendix 9 of this Regulation;
 - d. plan must be provided in accordance with Chapter 11 of this Regulation;
 - e. changes in charter must be provided in accordance with Chapter 12 of this Regulation;
 - 2) the list of staff members of the management company executing fund management function within the structure of the management company or on its behalf and the copies of documents confirming their professional qualifications, as specified in Regulation 10/05;

- 3) information about the directors and the staff members of the management company executing fund management function within the structure of the management company or on its behalf in a form of an application defined in Appendix 5 of the regulation and other required documents, as specified in Regulation 10/05;
- 4) declaration on conformity of the management company's premises and facilities thereof with the criteria established by the Central Bank in accordance with Appendix 15 of this Regulation;
- 5) application for receiving prior consent of the Central Bank on acquisition of qualified holding in statutory capital of management company and attached documents in accordance with Section III (for persons which did not receive prior consent of the Central Bank on acquisition of qualified holding in statutory capital of the investment company, or received it, but plan to increase the holding above the limit established by Article 54 (1) in the Law of the Republic of Armenia "On Securities Market").

CHAPTER 6. REGISTRATION OF THE FOREIGN MANAGEMENT COMPANY'S REPRESENTATION BEING ESTABLISHED IN THE TERRITORY OF THE REPUBLIC OF ARMENIA, REGISTRATION IN THE TERRITORY OF THE REPUBLIC OF ARMENIA OF THE BRANCH AND REPRESENTATION OF THE MANAGEMENT COMPANY OPERATING IN THE TERRITORY OF THE REPUBLIC OF ARMENIA, PROCEDURE AND TERMS OF TERMINATION (INCLUDING SUSPENSION) OF THE ACTIVITY OF BRANCHES AND REPRESENTATIONS ESTABLISHED IN THE TERRITORY OF THE REPUBLIC OF ARMENIA BY THE MANAGEMENT COMPANY OPERATING IN THE TERRITORY OF THE REPUBLIC OF ARMENIA, ESTABLISHMENT OF A BRANCH OR REPRESENTATION OUTSIDE OF THE TERRITORY OF THE REPUBLIC OF ARMENIA BY THE MANAGEMENT COMPANY OPERATING IN THE TERRITORY OF THE REPUBLIC OF ARMENIA

9. Terms and conditions on receiving prior consent for registration of a branch and of a representation of a management company operating within the territory of the Republic of Armenia and for registration of a representation of a foreign management company in the territory of the Republic of Armenia, as well as for receiving prior consent to establish a branch or a representation outside the Republic of Armenia by a management company operating within the territory of the Republic of Armenia, as well as closure of branches and representative office (including temporary suspension of operation) created in the territory of the Republic of Armenia by the management company operating in the

territory of the Republic of Armenia are subject to the respective provisions of Regulation 4/01 “Procedure on Registration and Licensing of Investment Companies; Registration of Branches and Representative Offices of Investment Companies and Foreign Investment Companies; Receiving Prior Consent to Acquisition of Qualified Holding in Statutory Capital of Investment Companies; Procedure, Forms and Periods of Submission of Business Plan”, approved by Resolution No 16-N on “Approval of Regulation 4/01 “Procedure on Registration and Licensing of Investment Companies; Registration of Branches and Representative Offices of Investment Companies and Foreign Investment Companies; Receiving Prior Consent to Acquisition of Qualified Holding in Statutory Capital of Investment Companies; Procedure, Forms and Periods of Submission of Business plan”, whereby “investment company” and “investment services” are respectively understood and indicated in the relevant documents as “management company” and “management of investment fund” (as applicable). Furthermore, provisions on business plan, registration of changes, premises and facilities thereof are subject to the terms and conditions defined by Chapters 11, 12 and 13 of this Regulation.

CHAPTER 7. ADDITIONAL CONDITIONS FOR MANAGEMENT OF FUNDS IN THE REPUBLIC OF ARMENIA

10. Branches of foreign management companies may be registered and licensed in the Republic of Armenia, provided that subject to reasonable opinion of the Central Bank, regulation and supervision established over them by the competent state body responsible for regulation and supervision of operations of management companies in the country of registration or main business of the respective management companies is not softer than regulation and supervision of management companies established in the Republic of Armenia.
- 10.1 Permission for management of a mandatory pension fund can be provided only to those management companies established in the Republic of Armenia that have at least one international financial organization or foreign reputable organization specialized in pension fund (including other similar investment funds) management (hereafter foreign reputable organization) participant (shareholder). Moreover, the international financial organization’s (organizations’) or/and foreign reputable organization’s (organizations’) participation (giving the right to vote) in pension fund management company’s capital must be more than 50 percent and the organization (organizations) must have decisive

voice in defining pension fund management company's strategy as well as in forming management company's executive body and internal control system.

10.2 Mandatory pension fund's management company must comply with the requirements defined by the point 10.1 of this Regulation for the whole period of its activity.

10.3 When assessing the foreign reputable organization as being reputable set by point 10.1 of this regulation Central Bank takes into account the following circumstances:

- 1) rating given to the organization by international reputable credit rating agencies,
- 2) inclusion in the list of the best fund management companies published by international well-known analytical and/or consulting organizations,
- 3) the size of assets under management,
- 4) performance of the managed funds,
- 5) level of representation in different countries,
- 6) the fact that the stocks of the organization are allowed to trade in the markets registered and supervised by Organization for Economic Cooperation and Development or European Union member states' authorized bodies responsible for capital market supervision,
- 7) experience in managing pension funds or any other similar (in investment policy) investment funds,
- 8) other important circumstances.

11. A branch of a foreign management company may receive permission for management of a mandatory pension fund as specified in Article 52 (3) of the Law, if the respective management company is a foreign reputable organization specialized in fund management. Moreover, when assessing the reputability of a foreign management company the Central Bank takes into account circumstances defined by point 10.3 of this regulation.

SECTION III. QUALIFIED HOLDING

CHAPTER 8. PROCEDURE ON RECEIVING PRIOR CONSENT FOR ACQUISITION OF QUALIFIED HOLDING IN STATUTORY CAPITAL OF A MANAGEMENT COMPANY, PROCEDURE ON NOTIFYING THE CENTRAL BANK ABOUT ACQUISITION OF QUALIFIED HOLDING OR INCREASING QUALIFIED HOLDING BY AN INDIVIDUAL OR ALIENATION OF SHARES (EQUITY STOCK) OF A QUALIFIED SHAREHOLDER

12. Issues on provision of documents (including documents and information to be submitted by persons acquiring indirect qualified holding) for receiving prior consent for acquisition of qualified holding in statutory capital of the management company, notifying the Central Bank about acquisition of qualified holding or increasing qualified holding by an individual or about alienation of shares (equity stock) of a qualified shareholder are subject to the respective provisions of Regulation 4/01, whereby “investment company” is understood and indicated in the relevant documents as “management company”.
13. Persons who have received prior consent of the Central Bank on acquisition of qualified holding in the statutory capital of a re-registered and re-licensed investment company are deemed to receive consent on acquisition of qualified holding in the statutory capital of the newly-established management company, unless their share in the statutory capital of management company increases above the amount defined in Article 54 (1) of the Law of the Republic of Armenia “On Securities Market”.

SECTION IV. GENERAL PROVISIONS ON LICENSING (REGISTRATION)

CHAPTER 9. GRANTING OF THE LICENSE (REGISTRATION CERTIFICATE) AND THE COPY OF LICENSE (REGISTRATION CERTIFICATE)

14. Before granting the license to the management company, the respective staff members of the Central Bank during the on-site inspection get convinced that premises, facilities, safety and operational conditions for software and hardware meet the requirements established in Chapter 13 of this Regulation.
15. Permission to manage a mandatory pension fund specified in Article 52 (3) of the Law may be provided only if the operating management company (resident or foreign parent company which creates affiliated management company in the Republic of Armenia, foreign management company, foreign management company that has branch in the Republic of Armenia) has at least one year of fund management working experience.
16. Where the Central Bank Board takes decision on registration and licensing of the management company or re-registration and re-licensing of investment company as a management company, within 5 working days after taking such decision the Central Bank shall deliver to the management company the registration certificate in accordance with Appendix 10 and the license in accordance with Appendix 11 of this Regulation. Moreover, simultaneously with the decision defined in this point, in the case permission on rendering (service) services by the management company has been given, such service (services) shall be indicated in the license. Where an investment company has been re-registered and re-licensed as a management company, license shall also indicate service (services), on which the investment company previously received license and is eligible to render as a management company.
17. Where an operating management company receives permit for rendering additional service (services), the previous license shall be reformulated and indicate newly permitted services (services).
18. Where the management company receives permit for management of a mandatory pension fund as specified by Article 52 (3) of the Law, the Central Bank shall inform the operator of participants' register within 3 business days after taking such a decision.
19. License (registration certificate) is provided in a single copy.
20. Upon providing of the license (the permission to render service (services)) the Central Bank notifies the licensed person that the list of legal acts regulating operation of management companies is placed on the Central Bank web site. Failure of the Central Bank to comply with its duty defined hereof, shall not exonerate the management company from liability stipulated by law, or reduce its liability towards third persons.

21. Where the license (registration certificate) has been lost (stolen, robbed or destroyed) or became unusable (damaged, torn, impossible to read, etc.), the respective person shall apply to the Central Bank with a with a letter of request to receive a copy of the license (registration certificate), after disclosing the fact of the loss or destruction of the license (registration certificate) in mass media outlet. Where legislation provides for payment of stamp duty, the respective person shall attach to the letter of request a receipt on payment of stamp duty for receiving copy of license (registration certificate), as well as the license (registration certificate) which became unusable (unless it was lost).
22. The Central Bank shall provide copy of the unusable license (registration certificate) to the respective person within 10 working days after receiving the application.
23. Where lost license (registration certificate) was retrieved, the respective person shall return copy of the retrieved license (registration certificate) to the Central Bank.
24. Top right corner of the copy of license (registration certificate) is marked with word "Copy".
25. Where the copy of the license (registration certificate) is lost or turned unusable, a new copy shall be issued in accordance with provisions defined in this Chapter.

CHAPTER 10. REFORMULATION OF THE LICNENSE, MAKING AMENDMANTS IN THE REGISTRATION CERTIFICATES

26. In order to reformulate the license, the management company provides to the Central Bank an application for the reformulation of the license, attaching the original of the license, documents verifying the respective changes and receipt on payment of stamp duty for reformulating the license.
27. The license is reformulated by the decision of the Board of the Central Bank according to the positive conclusion of the Commission within 30 working days after submission of the application to the Central Bank by the management company. Moreover, subject to the above mentioned decision of the Central Bank, the new copy of the license shall be provided to the licensed person after the previous copy has been sent back to the Central Bank.
 - 27.1 The Central Bank may suspend 30 day period for reformulating of license for up to one month period, if the reformulation of the license is owing to legislation or implementation of other activities established by the present Regulation.
 - 27.2 If the changes in the charter entail change of registration certificate as well subject to registration of the new Charter by the Central Bank, the revised registration certificate shall be provided to the respective person after the previous registration certificate was returned to the Central Bank.

SECTION V. OTHER PROVISIONS ON LICENSING

CHAPTER 11. THE PLAN, CHANGES IN THE PLAN, EXECUTION REPORT OF THE PLAN

28. The plan of a newly established and operating management company, of a branch of a foreign management company operating in the Republic of Armenia and of branch established in the Republic of Armenia of a management company operating in the Republic of Armenia shall be submitted to the Central Bank for the forthcoming three years.
29. The plan is an integrated document aimed to:
- 1) serve to stakeholders as an integrated document which allows to assess nature and peculiarities of managing investment and (or) pension fund and rendering investment services by the management company;
 - 2) assist management company's directors to identify, streamline and research future possible perspectives of the management company's operation, serve to management company's directors as a basis for assessing outcome and effectiveness of the management company's actual performance;
 - 3) help the management company to consistently implement outlined goals and objectives for the planned period;
 - 4) deliver to the Central Bank the planned actions of the management company, based on which the Central Bank would be able to assess the management company's operation and the strategy chosen.
30. The plan is based on the major principles outlined below:
- 1) feasibility: sufficient substantiation to implement the planned goals and objectives;
 - 2) measurability: possibility to measure outcomes;
 - 3) consistency: presence of integrity of the plan sections and chapters of the sections, presence of general logical processing in the plan;
 - 4) specificity: chapter's content should correspond with title and stay short of any excessive information, explicit analysis of planned goals should be provided.
31. The plan can be based on other principles that don't contradict with principles provided in point 30 of the Regulation.
32. While submitting the documents for licensing of a management company or of a branch of a foreign management company (for registration of branch of a management company operating in the Republic of Armenia), as well as prior to February 15 of the following calendar year, the management company, branch of a foreign management company shall submit to the Central Bank its plan. Furthermore, the plan must include report on execution of the plan defined by Article 58 (3) of the Law.

33. The management company, the branch of a foreign management company submits to the Central Bank the amended version of the plan defined in point 32 of the Regulation within 10 business days after those amendments were made, if there was a change of the strategy of the management company or of a branch of a foreign management company. The amended plan must include the corroboration of the changes. Moreover, in the tables attached to the plan changes can be made only before the last day of June. Changes after the above indicated date may be introduced only in case of significant fluctuations in the macroeconomic environment (such as significant fluctuations in gross domestic product, prices, exchange rate).
34. The plan shall be approved by the competent body of management company. Tables and diagrams attached to the plan shall be based on exact calculations and reflect the policy defined in the plan.
- 34.1 Actual and projected ratios included in the financial statements of the plan shall be submitted to the Central Bank in line with the principles while providing supervisory statements. Tables and diagrams attached to the plan shall be based on projected predictions of ratios. All predicted ratios, except for macroeconomic ratios, shall be based on exact calculations and reflect the policy defined in the plan. While making the major predictions during the development of the plan, the management company or the branch of a foreign management company can use stress tests as well.
35. The plan, the amended plan and the data required for the plan are sent to the Central Bank electronically by sending through CBA-Net system or electronic device if the CBA-Net system is unavailable.
36. The plan shall incorporate at least the data as defined by Appendix 16 of the Regulation. In addition to data defined by Appendix 16 of this Regulation, business plan may include other data as needed.
37. If the plan of the management company or of the branch of the foreign management company significantly exceeds the volume prescribed by Appendix 16, additional data must be substantive and crucial for the plan.
38. **Point 38 has been revoked.**

CHAPTER 12. PROCEDURE AND FORM OF SUBMITTING DOCUMENTS FOR REGISTRATION OF CHANGES

39. Within 10 days after changes have been introduced, management companies and branches of foreign management companies in the Republic of Armenia shall deliver for registration of the Central Bank the following:

- 1) changes in the Charter of the management company or branch or representation of a foreign management company operating in the territory of the Republic of Armenia;
- 2) changes in the rules of operation of the management company;
- 3) changes in the structure of the directors (except changes in the directors of structural subdivisions).

40. In order to register at the Central Bank the changes and (or) addenda in the charter (redrafted charter) of the management company, branch or representative office of the management company, established in the Republic of Armenia, foreign management company's branch or representative office in the Republic of Armenia, the following shall be submitted:

- 1) application for registration of changes and (or) addenda in the charter (redrafted charter) signed by person authorized by competent body of the management company and signed by the management company's seal (if available) in accordance with Appendix 13 of this Regulation;
- 2) decision of the competent body of the management company or extract from minutes on introducing changes and (or) addenda to the charter (redrafting the charter) of the management company, branch or representative office of the management company, branch or representative office of the foreign management company established in the Republic of Armenia;
- 3) revised (redrafted) charter with the incorporated changes;
- 4) if changes in the charter entail reformulation of the license, documents required under Chapter 12 of the Regulation shall be provided as well.

41. In order to register at the Central Bank changes and (or) addenda in the rules of operation (redrafted rules of operation) of the management company, of the branch of the foreign management company established in the Republic of Armenia, the following shall be submitted:

- 1) application for registration of changes (or) addenda in the rules of operation (redrafted rules of operation) signed by the person authorized by competent body of the management company and signed by the management company's seal (if available) in accordance with Appendix 14 of this Regulation;

- 2) decision of the competent body of the management company or exert from minutes on introducing changes and (or) addenda to the rules of operation (redrafting rules of operation), or approval of new rules of operation;
 - 3) changes and (or) addenda in the rules of operation (redrafted rules of operation) or approval of new rules of operation signed by person authorized by competent body of the management company and signed by the management company's seal (if available).
- 41.1 If the changes of the management company's charter are due to the changes in the brand name of the management company, than not only the documents defined in point 40 of the Regulation shall be submitted to the Central Bank, but also the application for registration of the brand name of the management company and other required documents as submitted according to joint-developed resolution of the Central Bank and the Ministry of Justice of the Republic of Armenia, as specified in the Article 54 (2)(4.1) of the Law.
42. According to Regulation 10/05 changes in the list of qualified persons subject to registration shall be registered at the Central Bank in manner prescribed by Regulation 10/05.
43. If the changes of the charter of management company, of the branch or of the representative, of the branch or of the representative of a foreign management company are due to the changes of the place of business, than not only the documents defined in point 40 of the Regulation shall be submitted to the Central Bank, but also the following:
- 1) copy of certificate on title, rent (sub rent), or fee free use of new premises (in case of sub rent, also copy of the main rent agreement);
 - 2) documents verifying conformity of management company's premises and facilities thereof with the minimum criteria established by Chapter 13 of this Regulation;
 - 3) declaration on conformity of the management company's premises and facilities with the criteria established by the Central Bank in accordance with Appendix 15 of this Regulation.
44. If the changes of the charter of management company are due to the increase of the statutory capital of the management capital, the following shall be submitted to the Central Bank:
- 1) documents specified by point 40 of this Regulation;
 - 2) statement certifying actual balance on running account opened at the Central Bank or any other bank non-affiliated with the operating management company for increasing the statutory capital;
 - 3) decision on registration of the latest prospectus on issuance of shares (if available), if it was not registered by the Central Bank.

CHAPTER 13. REQUIREMENTS ON PREMISES AND FACILITIES

45. Management companies and their branches must have:

- 1) separated premises in the Republic of Armenia owned under property right, rented (sub rented), or received for fee free use by the management company (in case of a branch of a foreign management company by the foreign management company). Moreover, during the licensing and registering a new management company is considered to satisfy the requirement set in this sub point if there is a warranty, stating the obligation of a person having property right on the respective separated territory to pass it for gratis use, rent (sub rent) or ownership to the management company in case of its registration and licensing,
- 2) where cash operations are carried out, cash center created with the view to servicing customers and fund participants and ensuring safe protection of cash (separated from other structural units of the management company, branches of a foreign management company in the Republic of Armenia, or branches of the management company operating in the Republic of Armenia), i.e. safe vault and cash register. Cash vault area is the main place for cash storage and it has a preceding area. The provision of having cash vault is deemed complied with if the management company has signed contract with cash collection service on daily transportation and handover of cash, or with a bank, or credit organization or their territorial units on storage of cash. Where cash vault is missing, the management company and its branch are allowed not to perform cash collection, provided that cash balance as of the end of business is not more than AMD 5 million and the management company or the branch have a fireproof safe at their premises which is affixed to the floor and wall of the cash desk. The provision hereof shall not apply to the management company or the branch which is dealing exclusively with bank non-cash operations, or has outsourced cash operations to another person, which complies with the provisions defined hereinabove;
- 3) separate stack for maintenance of contracts on fund management, and rendering services defined by Article 52 (4), or (4) and (5) of the Law (where such services are rendered);
- 4) 24 hour fire alarm and safety alarm systems, with electricity supply from different sources, of which one may be local;
- 5) various electricity supply sources, of which one is back-up. In case of failure of the main electricity supply source, local electricity supply source shall be available (such as generators or accumulators), which must be sufficient in order to ensure uninterrupted electricity supply and prevent damaging of information and system;

- 6) where the management company operating in the Republic of Armenia has a branch, software allowing automatic reflection of operations of the branch in the software system of the management company.
- 45.1 Where subject to prior consent of the Central Bank. Management companies have signed a merger agreement, the requirement established in the present Chapter on separation of head offices and territorial branches of merged and maintained companies defined by this chapter is not obligatory during six months starting from date the agreement was signed.
 46. Organizational and technical resources of the management company shall correspond to complexity, risk and framework of fund management activities in line with the best practices, principles of business conduct and corporate governance. In order to comply with the principles defined above the use of the management company's organizational resources shall ensure unobstructed operation of the management company according to the outlined framework and (or) rules of operation.
 47. Software and hardware systems of a pension fund management company must enhance the management company to efficiently implement functions on pension fund management, including exchange of necessary information with the fund custodian.
 48. Pension fund management company's information system must meet the following principles:
 - 1) allow an individual accounting of data for each participant (funded payments made, units of participant in pension fund, paid pensions, transfers from the account (exchanged units) and other important information on participant);
 - 2) high level of security in order to prevent unauthorized access to information (including its unauthorized review);
 - 3) possibility of making regular back-up copies.
 49. Requirements to the management company specified in point 48 of this Regulation are deemed to be met, where the management company outsourced fulfillment of the respective functions to another person (their execution is delegated to other person by law), which meets with the requirements of point 48.
 50. Criteria on facilities defined by sub points 2, 3, 4 and 5 of the point 45 of this Regulation, shall be deemed to be met, if other organization meets in any other manner with the facility criteria defined for the management company's premises.
 51. Instead of meeting criteria defined by sub points 3, 4 and 5 of point 45 of this Regulation, the management company, its branch, branch of a foreign management company may have insurance contract at least on such accidents like loss or damage of the management company's or branch owned, rented (sub rented) or fee free used property, including cash, electronic copies of data base on personal accounts of fund participants, originals of

documents relating to operations, etc. resulting from fire, larceny, theft, robbery or electricity supply breakdown.

52. Insurance cover on insurance risks defined by point 51 of this Regulation may not be less than the cost of 1 percent of management company's total assets.
53. Where insurance contract defined by paragraph 51 of this Regulation is signed with non-resident insurance company, its rating shall be not lower than the rating by at least one of the international rating companies indicated in Table below:

Standard and Poor's "A-"

Moody's "A3"

A.M. Best "A-"

Fitch "A-"

SECTION V.1 REGULARLY PROVIDED STATEMENTS AND INFORMATION

CHAPTER 13. STATEMENTS AND INFORMATION REGULARLY PROVIDED BY THE MANAGEMENT COMPANY, THE BRANCH OF A FOREIGN MANAGEMENT COMPANY

- 53.1 Management companies, branches of a foreign management company shall submit to the Central Bank the following statements (information) prior to June 1 for residents and prior to August 1 for non-residents:
 - 1) previous year financial statements of a legal person that has qualified holding in the statutory capital of the management company (legal persons that operate for less than one year shall submit this information for the whole period of their operation);
 - 2) the independent audit opinion, which confirms that the financial statement defined in sub point 1 of this point complies with the accounting standards, which, pursuant to the Law of the Republic of Armenia "On Accounting", should be applied by the company when conducting accounting and preparing and presenting financial statements and for foreign legal persons the conformity of financial statements with International Financial Reporting Standards or other internationally recognized standards (if available);
 - 3) if a legal person that has qualified holding in the statutory capital of the management company is included within any group (association) or person consolidating their financial statements based on any other grounds, instead of

statements (information) defined in clauses 1 and 2 hereinabove, such person shall submit to the Central Bank the following statements (information):

- a. organizational structure of the group (association);
 - b. financial statement of the group (association) for the last fiscal year (legal persons with less than one year of operation shall submit the information for the whole period of their activity);
 - c. the independent audit opinion, which confirms the compliance of the financial statement of the financial group (association) with the accounting standards, which, pursuant to the Law of the Republic of Armenia “On Accounting”, should be applied by the financial group (association) when conducting accounting and preparing and presenting financial statements and for foreign financial group (association) the conformity of financial statements with International Financial Reporting Standards or other internationally recognized standards (if available). Moreover, in the case of an absence of the independent audit opinion for foreign financial group (association), a link of an official web-site of the foreign country is submitted to the Central Bank to confirm that the accounting standards of the country comply with International Financial Reporting Standards or with other internationally recognized standards.
- 4) last financial year’s financial statements of legal persons affiliated with management company (the legal persons with less than one year of operation shall submit the above mentioned information for the whole period of their activity);
 - 5) the independent audit opinion, which confirms that the financial statement defined in sub point 4 of this point complies with the accounting standards, which, pursuant to the Law of the Republic of Armenia “On Accounting”, should be applied by the company when conducting accounting and preparing and presenting financial statements and for foreign legal persons the conformity of financial statements with International Financial Reporting Standards or other internationally recognized standards (if available). Moreover, in the case of an absence of the independent audit opinion for foreign legal entities, a link of an official web-site of the foreign country is submitted to the Central Bank to confirm that the accounting standards of the country comply with International Financial Reporting Standards or with other internationally recognized standards;
 - 6) Where a legal person affiliated with the management company is included within any group (association) or person consolidating their financial statements based on any other grounds, instead of statements (information) defined in clauses 4

and 5 hereinabove, such person shall submit to the Central Bank the following statements (information):

- a. organizational structure of the group (association)
- b. financial statement of the group (association) for the last fiscal year (legal persons with less than one year of operation shall submit the information for the whole period of their activity);
- c. the independent audit opinion, which confirms the compliance of the financial statement of the financial group (association) with the accounting standards, which, pursuant to the Law of the Republic of Armenia “On Accounting”, should be applied by the financial group (association) when conducting accounting and preparing and presenting financial statements and for foreign financial group (association) the conformity of financial statements with International Financial Reporting Standards or other internationally recognized standards (if available). Moreover, in the case of an absence of the independent audit opinion for foreign financial group (association), a link of an official web-site of the foreign country is submitted to the Central Bank to confirm that the accounting standards of the country comply with International Financial Reporting Standards or with other internationally recognized standards.

7) the list indicating name, surname, and position of the directors of legal persons affiliated with the management company, as well as legal persons affiliated with persons affiliated with the management company (unless established otherwise by point 5.1 (5.5) of the present Regulation);

8) the list indicating name and surname of the individuals affiliated with the management company as well as individuals affiliated with persons affiliated with the management company (unless established otherwise by clause 5.1 (5.5) of the present Regulation).

53.2 The information defined under sub points 1 and 2 of point 53.1 of the present Regulation shall not be submitted where legal person that has qualified holding in the statutory capital of the management company is:

- 1) Person controlled by the Central Bank, which submits to the Central Bank balance sheet and financial statement in accordance with terms and conditions established by law or other legal acts; or
- 2) organizations having received a rating of “A” and “B” from the Central Bank, in case there is a written statement on the consent to use the information defined under sub-points 1 and 2 of point 53.1 of this Regulation, for purposes of supervision.

53.3 Information defined under sub points 4 and 5 of the point 53.1 of the present Regulation shall not be submitted if the legal person affiliated with the management company is:

- 1) a person acquiring a qualified holding in the statutory capital of the management company, and with regard to which documentation (information) required for the person acquiring qualified holding under this Regulation is submitted;
- 2) a person controlled by the Central Bank, which submits to the Central Bank balance sheet, financial statement in accordance with terms and conditions established by law or other legal acts; or
- 3) organization having received a rating of “A” or “B” from the Central Bank, in case there is a written statement on the consent to use the information defined under sub-points 1 and 2 of the 53.1 of this Regulation, for purposes of supervision.

53.4 In the cases established by paragraph 55.3 of the present Regulation, the Central Bank shall be furnished with the list indicating names of those persons.

53.5 The Central Bank may request from the management company (from the branch of a foreign management company) statements (information) established by sub points 4, 5 and 6 of the point 53.1 of the present Regulation, regarding legal persons affiliated with persons affiliated with the management company (with the branch of a foreign management company).

53.6 For each change occurring after provision of license to the management company, the following information shall be delivered to the Central Bank within 10 days after the respective change:

- 1) approved drafts of the rules of operation of the management company, which are submitted for state registration and licensing pursuant to Article 54 (1)(9) of the Law of the Republic of Armenia “On Investment Funds”, newly approved rules, further changes to rules submitted to the Central Bank and amended internal rules, which incorporate those changes;
- 2) letter notifying about changes in premises and facilities of the management company or its branch, as defined by Chapter 13 of the present Regulation, attaching thereto documents and declaration in accordance with Appendix 15 of the present Regulation on conformity of premises and facilities of the investment company or its branch with criteria defined by Chapter 13 of the present Regulation;
- 3) changes in the charter of a branch or representation of the management company operating outside of the territory of the Republic of Armenia.

53.7 For each change occurring after provision of license to the branch of a management company, the following information shall be delivered to the Central Bank within 10 days after the respective change:

- 1) newly approved rules of the management company branch operation, further changes to rules submitted to the Central Bank and amended internal rules, which incorporate those changes;
- 2) letter notifying about changes in premises and facilities of the foreign management company branch, as defined by Chapter 13 of the present Regulation, attaching thereto documents and declaration in accordance with Appendix 15 of the present Regulation on conformity of technical capacities of the foreign management company branch with criteria defined by Chapter 13 of the present Regulation.

53.8 Where statements (information) defined in this section is available on the electronic site (web page) of the legal person or group (association), the management company shall notify the Central Bank thereof prior to the expiry of the period for submission of such statements (information) to the Central Bank. Whereas, where statements (information) defined in this section are available on the electronic site (web page), legal person shall keep them available for at least 1 year.

53.9 Where changes have been made in the address of electronic site (web page) of the legal person or group (association), submitted to the Central Bank in accordance with this Chapter, the management company shall notify the Central Bank within 10 business days.

53.10 The Central Bank may request any necessary information and explanations on parts of statements (information) which need clarification and comments, or when it is necessary for analytical or supervisory purposes.

53.11 Statements (information) defined in this chapter may be submitted (placed on the electronic site (web site)) in Armenian, or Russian, or English languages.

SECTION VI. OTHER PROVISIONS

54. **Point 54 was revoked.**

55. Where any document required under this regulation has been previously delivered, and no changes were made thereto, the person who is obliged to deliver the respective document may instead deliver statement verifying that the document has been already delivered to the Central Bank previously, unless established otherwise by this Regulation.

**APPLICATION FOR REGISTRATION AND LICENSING OF INVESTMENT FUND
MANAGEMENT COMPANY**

To: RA Central Bank Chairman -----

Dear, -----

We the undersigned, made a decision

(management company's name and organizational form)

to set up investment fund management company.

Pursuant to the laws of the Republic of Armenia and other legal acts, please find attached documents required for registration and receiving license and their list. (attachment --- pages).

Hereby, we confirm that we have accurately reviewed content of each document attached to this application. Furthermore, we confirm that information is comprehensive and true, and we acknowledge that submission of any false information or document leads to liability established by law and rejection of the application.

Hereby, I would like to request you to register our organization in manner prescribed by law and provide it with the license of investment fund management company's operation.

Founders of the Management Company:

Signature

Name, Surname

Person submitting the application:

/name, surname, signature/

/contact information, address/

date ----- 20

**APPLICATION FOR REGISTRATION AND LICENSING OF INVESTMENT FUND MANAGEMENT
COMPANY
(for branch of a foreign management company)**

To: RA Central Bank Chairman -----

Dear, -----

We the undersigned, made a decision

(foreign management company's name)

(name of the competent managing body)

to set up investment fund management company in the Republic of Armenia.

Pursuant to the laws of the Republic of Armenia and other legal acts, please find attached documents required for registration and receiving license and their list. (attachment --- pages).

Hereby, we confirm that we have accurately reviewed content of each document attached to this application. Furthermore, we confirm that information is comprehensive and true, and we acknowledge that submission of any false information or document leads to liability established by law and rejection of the application.

Hereby, I would like to request you to register our organization in manner prescribed by law and provide it with the license of investment fund management company operation.

Person submitting the application:

/ name, surname, signature of the competent managing body /

/contact information, address/

date ----- 20

APPLICATION FOR PERMISSION TO RENDER SERVICE (SERVICES)

To: RA Central Bank Chairman -----

Dear, -----

(Full name of applying organization)

decided that while carrying fund management activities, it will carry out:

1.
 - Management of mandatory pension fund**
 - Management of voluntary pension fund**
2.
 - Management of securities portfolio**
3.
 - Provision of consulting services on investment in securities managed by it**
 - Custody of units or shares of the fund**

Please provide permission to render the aforementioned services in accordance with the legislation of the Republic of Armenia.

Person submitting the application

/ name, surname, signature of the competent person of the management company (newly established management company) /

/contact information, address/

date ----- 20

Appendix 4 of
Regulation 10/01
approved by Republic of Armenia
Central Bank Board May 2, 2011
Resolution No 116-N

Appendix 4 was revoked.

Application
Information on Directors (qualifying persons)

| | |
|---|--|
| <i>Photo</i> | |
| <input type="checkbox"/> Check this box if only changes are provided | |
| 1. Information on financial organization (provide data on organization where you will work as a director. For purposes of this application, “director” means staff members of the management company executing fund management function within the structure of the management company or on its behalf, staff member of the custody of the fund and responsible persons of insurance brokers.) | |

| |
|--|
| 1.1 Name and code (if available) of the financial organization (for directors of branches also indicate name of branch and code provided by the Central Bank to the financial organization) |
| 1.2. Type of financial organization <ul style="list-style-type: none"> <input type="radio"/> bank <input type="radio"/> branch of a foreign bank <input type="radio"/> credit organization <input type="radio"/> insurance company <input type="radio"/> branch of a foreign insurance company <input type="radio"/> insurance broker <input type="radio"/> investment company <input type="radio"/> branch of a foreign investment company <input type="radio"/> regulated market operator <input type="radio"/> Central Depository <input type="radio"/> fund management company <input type="radio"/> branch of a foreign fund management company <input type="radio"/> Bureau |
| 2. Personal data |
| 2.1 Name, surname, patronymic |
| 2.2 Gender <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 Citizenship |
| 2.6 Passport number and serial number, issuing authority, period of validity (number and serial number of (previous passport should be also indicated if available) |
| 2.7 Social card number (number of statement certifying absence of social card) |
| 2.8 Social card number (number of statement certifying absence of social card) |
| 2.9 Telephone number |
| 2.10 E-mail address |

2.11 Provide all your previous names and periods when you used them

Name, surname, patronymic

Period of use (day/month/year)

3. Director's position

3.1 Position of director you intend to have in the organization indicated under point 1.1:

- chairman of board (supervisory board) of directors (board chairman)
- member of board (supervisory board) of directors (board member)
- chief executive officer (head of administrative board, head of directorate, head of executive body)
- deputy chief executive officer (deputy head of administrative board)
- member of directorate (member of administrative board, member of executive body)
- chief accountant
- deputy chief accountant
- head of internal audit unit
- member of internal audit unit
- head of unit responsible for rendering investment services by banks and credit organizations
- chairman (head) of oversight (control) commission
- deputy chairman (head) of oversight (control) commission
- member of oversight (control) commission
- director (head) of branch
- chief executive officer of branch
- deputy chief executive officer of branch
- chief accountant of branch
- chairman of disciplinary commission of operator
- head of oversight service of operator
- member of oversight service of operator
- individual performing operations of insurance broker
- responsible actuary
- individual performing fund management on behalf or within the staff of fund management company
- chief executive officer of fund custody
- staff member of fund custody
- staff member of internal intelligence unit of the bank

3.2 Are you appointed to the mentioned position on a temporary basis?

- No
- Yes, indicate date of appointment (day/month/year)

3.3 Describe in detail your powers and duties as a director

3.4 For a staff member at internal intelligence unit of the bank, indicate the division and job position

4. Education, Qualification, Work History

4.1

| <i>Name of educational institution</i> | <i>Legal address</i> | <i>Period of study (from --- till ---)</i> | <i>Department</i> | <i>Speciality</i> | <i>Awarded (research) degree</i> |
|--|----------------------|--|-------------------|-------------------|----------------------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

4.2 Knowledge of languages

- Armenian
- English
- Russian
- other (indicate the language you know)

4.3 Provide information on work performed over the last 10 years as follows:

| <i>Period of employment</i> | <i>Name of the organization</i> | <i>Legal address</i> | <i>Telephone number</i> | Position | Reason for leaving |
|-----------------------------|---------------------------------|----------------------|-------------------------|----------|--------------------|
| | | | | | |
| | | | | | |
| | | | | | |

Indicate what you did during intermediate periods of unemployment

| <i>Period of unemployment</i> | <i>Description</i> |
|-------------------------------|--------------------|
| | |
| | |
| | |

4.4 Provide information about 3 persons that personally know you (as of the moment of presentation), who may recommend you if needed, whereas one of such persons should be your colleague from your last employing company, while the other two should not be from the company where you plan to work, but they should be occupied in the financial sector currently or in the past. If such persons are not available, you should indicate under the Notes line about absence of person (persons) who can recommend you.

| <i>Name, surname</i> | <i>Name of the employing company and its address</i> | <i>Job title</i> | <i>Residential address</i> | <i>Years of professional experience in financial sector</i> | <i>Phone number, electronic mail address</i> |
|----------------------|--|------------------|----------------------------|---|--|
| | | | | | |
| | | | | | |
| | | | | | |

Other notes (this line should be completed if recommending person (persons) are not available).

5. Information about directors

5.1 Have you been adjudged disabled or temporary disabled in accordance with law?

- No
- Yes, (provide details)

5.2 Have you been convicted by court for commitment of a deliberate crime?

- No
- Yes, (provide details, including information on expunge or indemnity of conviction by court)

5.3 Have you been deprived of the right to hold position in the financial, insurance, banking, tax, customs, trade, economic or legal sectors by court?

- No
- Yes, (provide details)

5.4 Have you been adjudged bankrupt or have overdue (not relieved) liabilities?

- No
- Yes, (provide details)

5.5 Are you involved as a suspect, plaintiff, or defendant in criminal proceedings instituted by legal machinery of the RA or other country?

- No
- Yes, (provide details)

5.6 Have you been called to criminal liability for commitment of crime specified under criminal code of the RA or other countries?

- No
- Yes, (provide details)

5.7 Was a financial organization in the Republic of Armenia or abroad adjudged bankrupt or insolvent during the period when you worked or held position there, or did performance of a financial organization in the Republic of Armenia deteriorate in accordance with criteria established by the Central Bank Board due to your activity or inactivity?

- paragraphs 5.7-5.10 inclusive shall be completed only by persons holding positions of directors of a financial organization either in the past or present;
 - paragraphs 5.7 and 5.8 shall be also completed by persons with qualified holding in financial organization either in the past or present.
- No
 - Yes, (provide details)

5.8 Was a financial organization in the Republic of Armenia or abroad adjudged bankrupt or insolvent due to your activity or inactivity during the period when you worked or held position there?

- No
- Yes, (provide details)

5.9 Have you 3 and more times over the last 1 year had to pay fine as a sanction being a director of a financial organization?

- No
- Yes, (provide details)

5.10 Have your qualification certificate been revoked based on grounds defined in paragraph 1.2 hereinabove for financial organizations?

- No,
- Yes, (provide details) (including reasons for revocation of accreditation certificate)

6. Qualified holding and interrelationship

6.1 Indicate financial organizations as well as reporting issuers deemed non-financial organization in statutory capital of which you have qualified holding at present or had it within the last 5 years

List qualified holdings beginning from the biggest one at present date

(information relating to reporting issuers provided in paragraphs 6.1-6.3, hereof, shall be completed only on behalf of persons rendering investment services, operator of regulated market, The Central Depository, directors of custody, as well as by individuals performing fund management on behalf of fund management company or within its staff and staff member of fund custody)

| <i>Name of financial organization (reporting issuer deemed non-financial organization)</i> | <i>Period (period of having qualified holding in the past shall be indicated as well)</i> | <i>Share of holding (%),</i> | <i>Number of shares</i> | <i>Total amount (in Armenian drams)</i> |
|--|---|------------------------------|-------------------------|---|
| | | | | |
| | | | | |
| | | | | |

6.2 If aware, indicate the financial organizations as well as reporting issuers deemed non-financial organization in statutory capital of which persons affiliated with you have qualified holding presently or had it within the last 5 years

List qualified holdings beginning from the biggest one at present date

| <i>Name of financial organization (reporting issuer deemed non-financial organization)</i> | <i>Period (period of having qualified holding in the past shall be indicated as well)</i> | <i>Share of holding (%)</i> | <i>Number of shares</i> | <i>Total amount (Armenian drams)</i> |
|--|---|-----------------------------|-------------------------|--------------------------------------|
| | | | | |
| | | | | |
| | | | | |

6.3 Provide information on affiliated persons working in financial organizations or reporting issuer organizations (if such persons are available) as follows:

(Interrelationship is recognized in accordance with the respective law regulating activities of financial organizations defined in paragraph 1.2 hereof, which in case of reporting issuers is the Law of the Republic of Armenia “On Securities Market”. In the meaning of this Regulation, persons of the same family are parents, spouse and children.)

| <i>Name, surname</i> | <i>Period of work (for persons who previously worked in financial system (reporting issuer organizations) indicate period of work in the respective financial organization (reporting issuer organization)).</i> | <i>Passport number</i> | <i>Form of interrelationship</i> | <i>Place of work</i> | <i>Place of work</i> | <i>Telephone number</i> |
|----------------------|--|------------------------|----------------------------------|----------------------|----------------------|-------------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

8. Other information

8. Other information

8.1 Provide information on interrelated individuals (except persons defined in paragraph 6.3) as follows:

| Name, surname | Passport number | Form of interrelationship | Place of work | Job title | Address | Telephone number |
|---------------|-----------------|---------------------------|---------------|-----------|---------|------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

8.2 Provide information on interrelated legal persons as follows:

| Name of organization | Address | Form of interrelationship | Telephone number |
|----------------------|---------|---------------------------|------------------|
| | | | |
| | | | |
| | | | |

9. Is there any other important information you would like to provide?

- No,
- Yes, (provide details)

10. Other documents

10.1 This field must be completed only by bank board members

I have read "Guidelines on Activities of Board Members"

- No,
- Yes,

11. I confirm that information in this document is true and accurate.

Signature of the director proposed for registration -----

12. Signature of person authorized by management body of financial organization and corporate seal (if available)

Name and surname of person authorized by management body of financial organization

Date (day/month/year)

Signature

Financial organization seal

Numbered, sealed and stitched

----- (-----) pages

Head of Legal Department on Licensing and Registration

name, surname signature

Supervisor

name, surname signature

INFORMATION ON FOUNDERS OF INVESTMENT FUND MANAGEMENT
 COMPANY

| Legal Person Founders | | | | | | |
|------------------------------|--|----------------|------------------------|--|------------------------|--|
| Firm name, legal address | Country of state registration, registration certificate or other similar document number, date of registration, contact information | Shares (stock) | | Number of votes ensuing from shares (stock) | | |
| | | Quantity | Percentage in total | Quantity | Percentage in total | |
| 1. | | | | | | |
| 2. | | | | | | |
| ... | | | | | | |
| Individual Founders | | | | | | |
| Residence address | Passport (other ID) number and serial number | Shares (stock) | | Number of votes ensuing from shares (stock) | | |
| | | Quantity | Percentage in total | Quantity | Percentage in total | |
| 1. | | | | | | |
| 2. | | | | | | |
| ... | | | | | | |

**APPLICATION FOR RE-REGISTRATION AND RE-LICENSING OF INVESTMENT
COMPANY AS INVESTMENT FUND MANAGEMENT COMPANY**

To: RA Central Bank Chairman -----

Dear, -----

We the undersigned, made a decision

(full name of applying investment company)

to carry out operations of investment fund management.

Pursuant to the laws and other legal acts of the Republic of Armenia, please find attached documents required for re-registration and re-licensing as investment fund management company and their list. (attachment --- pages).

Hereby, we confirm that we have accurately reviewed content of each document attached to this application. Furthermore, we confirm that information is comprehensive and true, and we acknowledge that submission of any false information or document leads to liability established by law and rejection of the application.

Hereby, we would like to request you to re-register and re-license the investment company as an investment fund management company in manner prescribed by law.

Person submitting the application

/ name, surname, signature of the competent person of investment fund management company /

/contact information, address/

APPLICATION ON REVOCATION OF INVESTMENT COMPANY LICENSE

To: The RA Central Bank Chairman -----

Dear, -----

We the undersigned, made a decision

(full name of applying investment company)

to carry out operations of investment fund management.

Subject to approval of the application on re-registration and re-licensing of investment company as investment fund management company, we would like to request to revoke license provided to the investment company for rendering investment service (services) as follows:

- ...
- ...
- ...

Subject to approval of the application on re-registration and re-licensing of the investment company as an investment fund management company, please authorize the fund management company to render services previously rendered by investment company as follows:

- ...
- ...
- ...

Hereby, we verify that we have fulfilled all provisions of the law in order to protect legitimate interests of investment company customers.

Person submitting the application

/ name, surname, signature of the competent person of investment fund management company /

/contact information, address/

date ----- 20

REGISTRATION CERTIFICATE FORM
OF
INVESTMENT FUND MANAGEMENT COMPANY



CENTRAL BANK OF
THE REPUBLIC OF
ARMENIA

**REGISTRATION
CERTIFICATE OF
INVESTMENT FUND
MANAGEMENT
COMPANY**

YEREVAN

Registered
Central Bank Board
Resolution
date ---- No ---

Registration Certificate No ---

This certificate is provided in accordance with the RA laws
“On Investment Funds” and “On the RA Central Bank”

(name, business form, address)

----- to the investment fund
management company, certifying its registration at the
Central Bank.

Registration number _____

Registration day, month, year _____

Taxpayer identification number _____

**Name of the tax inspectorate where taxpayer is
registered** _____

The RA Central Bank Chairman

Date 20 ...

Seal

Appendix 11 of
Regulation 10/01
approved by Republic of Armenia
Central Bank Board May 2, 2011
Resolution No 116-N

LICENSE FORM OF INVESTMENT FUND MANAGEMENT COMPANY

| | | |
|------|--------------------|-------------|
| IFMC | CENTRAL BANK OF RA | NUMBER XXXX |
|------|--------------------|-------------|

L I C E N S E

INVESTMENT FUNF MANAGEMENT OPERATIONS

Investment fund management company is authorized to perform:

- issued on-----
- issued on -----
- issued on -----
- issued on -----
- issued on -----

Full name of the management company-----

(full firm name of foreign management company and name of its branch established in the Republic of Armenia)

The RA Central Bank Chairman

Issued on ----- 20 ..

Registration number -----

Seal

**APPLICATION ON REVOCATION OF PERMISSION TO RENDER SERVICE (SERVICES)
ISSUED FOR INVESTMENT FUND MANAGEMENT COMPANY**

To: The RA Central Bank Chairman -----

Dear, -----

We the undersigned, made a decision

(full name of applying investment fund management company)

to cancel rendering services as follows: -----

(indicate the types)

- hereby we verify that in order to cancel rendering of the service (services) listed above we have fulfilled all provisions of the law in order to protect legitimate interests of management company's customers (fund participants);
- we have no outstanding commitments towards customers.

We would like to request to revoke permission on rendering aforementioned service (services) issued for investment fund management company in accordance with the RA legislation.

Person submitting the application

/ name, surname, signature of the competent person of management company /

/contact information, address/

APPLICATION ON REGISTRATION OF CHANGES IN THE CHARTER

To: The RA Central Bank Chairman -----

Dear, -----

We the undersigned,

(full name of applying investment fund management company)

made a decision to introduce changes and (or) addenda (redraft charter) in the charter of

- management company
- branch of management company
- representative office of management company
- branch of foreign management company established in the Republic of Armenia
- representative office of foreign management company established in the Republic of Armenia.

Please find attached the revised version of charter (redrafted charter).
(attachment -----pages).

We hereby request to register changes in manner prescribed by the legislation of the Republic of Armenia.

Competent person of the management company (foreign management company)

Signature Name, surname

date ----- 20 .

Seal

APPLICATION ON REGISTRATION OF CHANGES IN RULES OPERATION (NEW RULES
OF OPERATION)

To: The RA Central Bank Chairman -----

Dear, -----

We the undersigned,

(full name of applying investment fund management company)

made a decision to introduce changes and (or) addenda (redraft rules of operation,
approve new rules of operation) in the rules of operation (attachment-----pages) of

- management company
- branch of a management company
- branch of a foreign management company

Please find attached the revised version of rules of operation (redrafted operation rules).

We hereby request to register changes in manner prescribed by legislation of the
Republic of Armenia.

Competent individual of management company (foreign management company)

Signature Name, surname

date ----- 20

**DECLARATION ON COMPLIANCE OF PREMISES AND FACILITIES OF MANAGEMENT
COMPANY (BRANCH OF FOREIGN MANAGEMENT COMPANY) WITH CRITERIA
ESTABLISHED BY THE CENTRAL BANK**

Hereby, we verify that

(name and business form of investment fund management company)

- newly established management company
- operating management company
- branch of a management company
- branch of a foreign management company

premises and facilities correspond to the least requirements established by Regulation 10/01.

We declare that we are obliged to notice the Central Bank in writing about any planned and introduced changes in premises of facilities which do not disagree with the criteria established by Regulation 10/01.

This declaration is accurate and comprehensive.

The management company (the foreign management company) acknowledges that provision of any false information in terms of this declaration may cause negative implications to the management company (the foreign management company) or its director as stipulated by the RA legislation.

name, surname, signature of the competent person of management company, newly established management company, foreign management company/

/contact information, address/

date ----- 20

THREE-YEAR BUSINESS PLAN FORM OF INVESTMENT FUND MANAGEMENT COMPANY, BRANCH OF THE MANAGEMENT COMPANY

SECTION I. INTRODUCTION

(3-5 pages)

CHAPTER 1. INTRODUCTORY STATEMENT

(1-2 pages)

1. We hereby present views of the management body of investment fund management company (hereinafter referred to as management company), concerning actual performance of the management company in the previous year (excluding business plan submitted during registration and licensing of management company), possible developments and general strategy in the period under review, including projections and analysis on all major economic indicators of management company.

CHAPTER 2. DESCRIPTION OF MANAGEMENT COMPANY

(1.5-2 pages)

2. General information about the management company, including date of creation (except for the management company applying for license), business form, number of branches and their geographical location, rights, liabilities and responsibilities of individuals performing management of fund on behalf of the management company or within its staff (individuals managing fund), number of such persons in the staff list, other information as deemed important by fund management company.
3. Organizational chart of management company (1 page).

CHAPTER 3. PRINCIPLES OF DEVELOPMENT OF BUSINESS PLAN

(0.5-1 page)

4. Major assumptions underpinning development of the business plan, information about person developing the business plan or coordinating work on its development (job title and telephone number).

SECTION II. CHARACTERISTICS OF MANAGEMENT COMPANY

(2-4 pages)

CHAPTER 4. MISSION

(0.5 page)

5. Mission of the management company, long-term goal for which the management company exists. Mission should reflect the long-term role, place and peculiarities of the management company in financial market.

CHAPTER 5. GOALS

(0.5-1 page)

6. Medium-term goals by priority order. Goals may be quantitative, qualitative or general, but in overall they should be feasible with measurable outcomes. Goals should reflect the medium-term role, place and peculiarities of management company in securities market.
7. Justification of goals described in this section. If the goals were revised, provide reasons and substantiation for the revision. If the goals have not been revised, provide reasons and substantiation for keeping them unchanged (except for organization submitting application for receiving license of investment fund management company and (or) permit for rendering service (services) and investment company submitting application for re-registration and re-licensing as a management company).

CHAPTER 6. PRINCIPLES OF OPERATION

(0.5-1 page)

8. Shortly describe the principles based on which the management company is guided by while exercising its policies, including policies in the following sectors:
 - 1) relations with customers, funds, fund participants and partners on provision of investment services;
 - 2) relations with directors and employees of the management company;
 - 3) any other area at the discretion of management company.

CHAPTER 7. AREAS OF OPERATION AND BUSINESS PROJECTIONS

(2-2.5 pages)

9. Describe areas of operation and services provided by the management company and projections of main business indicators. In particular:
 - 1) main areas of operation, disclosing priorities in terms of outcome and value;
 - 2) types of funds and sub-funds to be created at the initiative of the management company in accordance with the types established by Law and the number for each type;
 - 3) detailed description of fund management activities, and business procedures for rendering services defined by Article 54, part 4, or parts 4 and 5 of the Law (if permission on rendering such services was issued or applied for);
 - 4) target investment sectors (by sectors of economy, geographical distribution, or other criteria at discretion of fund management company);
 - 5) main categories of fund participants and customers on services defined by Article 54, part 4, or parts 4 and 5 of the Law, by regions, residency, legal status and/or other criteria.

SECTION III. SITUATIONAL ANALYSIS

(this Section of business plan is not required for such business plan, which is submitted for registration or licensing of management company, as well as submitted by investment company for re-registration and re-licensing as a management company).

(6-13 pages)

CHAPTER 8. GOALS AND OBJECTIVES OF PREVIOUS BUSINESS PLAN PERIOD

(1-2 pages)

10. To provide:

- 1) goals of previous business plan period in order of priority;
- 2) objectives of previous business plan period in order of priority.

CHAPTER 9. PERFORMANCE ANALYSIS OF OBJECTIVES OF PREVIOUS BUSINESS PLAN PERIOD

11. Describe process of implementation of the objectives, identifying reasons for failure to fully or partially achieve any objective for the previous year (1-3 pages).

12. Analyze (2-5 pages) management company's performance and impact of internal developments of the previous one year over projections and actual indicators of the previous year (as of January 1 of the current year), reasons of deviations (if deviation from projected indicator is 10 or more percent), reasons for actual failure to implement planned measures in terms of:

- 1) management company's capitalization;
- 2) types of funds under management company's control and changes in their list, services rendered in accordance with Article 54, part 4 and parts 4 and 5 of the Law;
- 3) profitability, income and expenses;
- 4) management system, including:
 - a. internal regulation of corporative governance;
 - b. internal control system;
 - c. disclosure of major risks of the previous period, their assessment and measures to curb them.
- 5) location of territorial units (branches and representative offices);

- 6) HR policy, number and qualification of employees, qualification requirements to staff, their changes.
13. Analyze (1-2 pages) impact of external developments of the previous one year over policies and performance of the management company in terms of:
 - 1) international markets;
 - 2) financial market of the Republic of Armenia, providing details of impact of competitors' behavior;
 - 3) economy of the Republic of Armenia;
 - 4) legislative field (laws of the Republic of Armenia, normative acts of the Central Bank and legal acts of other state bodies).

CHAPTER 10. STRENGTHS AND WEAKNESSES

(1 page)

14. From the analyses made in Chapter 9 strong and weak sides of the management company that have had positive or negative impacts over performance in the previous period, are picked up and summarized.

SECTION IV. FORECAST OF EXTERNAL ENVIRONMENT

(2-4 pages)

CHAPTER 11. FORECAST OF POSSIBLE EXTERNAL DEVELOPMENTS

(1.5-3 pages)

15. Describe major events from the external environment of the management company projected by the management company, their changes and the associated risks which the management company may face during the planned period. Particularly,
 - 1) in international markets: describe developments in international markets, which may affect management company's performance;
 - 2) in local economy: describe economic and political developments in the economy of the Republic of Armenia, which may affect management company's performance;

- 3) in financial markets: describe expectations on developments in the Republic of Armenia financial and banking sectors and their possible impact over management company's performance;
 - 4) in legislative field (laws of the Republic of Armenia, normative acts of the Central Bank and legal acts of other state bodies).
16. The analysis should be made only in terms of the impact of projected changes and developments in the aforementioned areas over management company's performance, viewing them as opportunities and threats for management company's performance. Excessively speculative expressions should be avoided. Don't simply describe developments without showing their possible impact on the management company. If according to management company's viewpoint developments in any of the indicated sectors will not affect its performance (e.g. developments in international markets), briefly indicate the reasons.

CHAPTER 12. OPPORTUNITIES AND THREATS IN EXTERNAL ENVIRONMENT

(0.5-1 page)

17. From the analysis made in Chapter 11 events in the external environment are picked up and summarized as opportunities, threats, dangers and risks for the further development of the management company.

SECTION V. PERSPECTIVE DEVELOPMENT

(4-7 pages)

CHAPTER 13. MAJOR GOALS

(1 page)

18. Describe objectives targeted over the planned period. Objectives should be very specific with measurable outcomes. All objectives should be linked with goals, and should result from performance outcomes of the previous periods, strengths and weaknesses of the management company, external opportunities and threats.

CHAPTER 14. WAYS OF SOLVING PROBLEMS

(3-6 pages)

19. Describe steps and measures for achieving planned objectives and projected performance outcomes. They should correspond to internal strengths and weaknesses and external opportunities and threats already identified and disclosed by management company, providing solutions on how to overcome weaknesses and benefit from strengths.
20. Directions for achieving the planned objectives in the areas described below should be presented with justification for their selection:
 - 1) ways of capitalization (description of measures aimed at ensuring sufficient level of capitalization and feasibility study with indication of domestic and external sources of capitalization);
 - 2) policies implemented in terms of managed funds, value of funds by types of services defined in Article 54, part 4 and parts 4 and 5 of the Law, expected scope and structure of services, target groups of investors and (or) customers with measures for the attraction of investors and (or) customers in the particular market sector, etc. (if management company intends to manage pension fund, projected number and age of fund participants should be provided as well);
 - 3) forecast of assets of each fund and perspectives of their growth (for each fund) with justification of forecast;
 - 4) projected financing sources. expected structure of income and expenses, profit, projected level of earnings with substantiation, dividend payment policies;
 - 5) ways to improve management system;
 - 6) regional policy (distribution and reorganization of territorial units);
 - 7) measures to enhance HR policies;
 - 8) administrative activities of management company for fund management, planned new functions, services, tools, technologies for rendering services defined in Article 54, part 4 and parts 4 and 5 of the Law (by investors, customers, regions, market segments and sectors), measures to ensure their sustainability (justification for allocation of resources);
 - 9) marketing policy: what market technologies will be applied or prioritized in planning management company' operation (in order to expand the scope of

rendering services defined in Article 54, part 4 and parts 4 and 5 of the Law, introduce new tools and services, improve quality of services).

SECTION VI. ASSESSMENT AND MONITORING OF PLAN IMPLEMENTATION

(6-8 pages)

CHAPTER 15. PROCESS OF DEVELOPMENT OF THE PLAN AND MONITORING OF THE IMPLEMENTATION

(1 page)

21. Describe the process of business plan development, who is in charge of performance assessment, monitoring of implementation and the relevant process.

CHAPTER 16. TABLES ATTACHED TO THE BUSINESS PLAN

(5-7 pages)

22. The business plan shall indicate:

- 1) value of assets, statutory capital and total capital (Table 1);
- 2) projection on income and expenses of the management company by types of operations (Table 2);
- 3) data on each type of managed fund (Table 3);
- 4) projections on financial assets managed in accordance with the agreement on securities portfolio management (Table 4);
- 5) projection on indicators of managing efficiency of management company as an institutional structure (Table 5).

23. Tables attached to business plan shall include data for three years. Where business plan must be submitted to the Central Bank on February 15, year 20X, the date in the tables should be indicated as:

- 1) Actual as of December 31 of the previous year (20"X-1", December 31);
- 2) Planned as of July 1 of the year 1 (20X, July 1),
- 3) 3) Planned as of January 1 of the year 2 (20"X+1", January 1),
- 4) 4) Planned as of July 1 of the year 2 (20X+1, July 1);
- 5) 5) Planned as of January 1 of the year 3 (20"X+2", January 1),
- 6) 6) Planned as of July 1 of the year 3 (20"X+2", July 1),
- 7) 7) Planned as of January 1 of the year 4 (20"X+3", January 1),

Table 1

PROJECTED BALANCE SHEET
(AMD thousand)

| | Actual as of December 31 of the previous year | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 |
|---|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 1. Assets | | | | | | | |
| 1) Cash and cash balance at the RA Central Bank | | | | | | | |
| 2) Claims towards banks and other financial organizations | | | | | | | |
| 3) Claims towards customers | | | | | | | |
| 4) Profit/loss remeasured financial assets at fair value | | | | | | | |
| 5) Available-for-sale financial assets | | | | | | | |
| 6) Held-to-maturity investments | | | | | | | |
| 7) | | | | | | | |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| Investments into equity of other persons | | | | | | | |
| 8) Fixed assets and intangible assets | | | | | | | |
| 9) Deferred tax assets | | | | | | | |
| 10) Other assets | | | | | | | |
| 2. Total Assets | | | | | | | |
| | | | | | | | |
| 3. Liabilities and Capital | | | | | | | |
| 1) Amounts due to banks and other financial organizations | | | | | | | |
| 2) Amounts due to customers | | | | | | | |
| 3) Profit/loss remeasured financial assets at fair value | | | | | | | |
| 4) Securities issued by management company | | | | | | | |
| 5) Deferred tax liabilities | | | | | | | |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| 6) Reserves | | | | | | | |
| 7) Other liabilities | | | | | | | |
| Total liabilities | | | | | | | |
| 2. Equity | | | | | | | |
| 3. Emission income | | | | | | | |
| 4. Reserves | | | | | | | |
| 1) General reserve | | | | | | | |
| 2) Translation reserve | | | | | | | |
| 5. Retained earnings (accumulated deficit) | | | | | | | |
| 6. Other elements of capital | | | | | | | |
| Total capital | | | | | | | |
| Total liabilities and capital | | | | | | | |

Table 2.

INCOME AND EXPENSE PROJECTIONS
(AMD thousand)

| | Actual as of December 31 of the previous year | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 | Planned as of July 1 of the year 1 |
|--|---|--|---|---|---|--|---|
| Interest and similar income | | | | | | | |
| Interest and similar expenses | | | | | | | |
| Net interest and similar income | | | | | | | |
| | | | | | | | |
| Income on commission and fee | | | | | | | |
| Expenses on commission and fee | | | | | | | |
| Received commission and fee | | | | | | | |
| | | | | | | | |
| Income from shareholders | | | | | | | |
| Net income on trade operations | | | | | | | |
| Other operational income | | | | | | | |
| Operational income | | | | | | | |
| Allowance for asset impairment | | | | | | | |
| General administrative costs | | | | | | | |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| Other operational costs | | | | | | | |
| Net gains (losses) on investment in equity of other persons | | | | | | | |
| | | | | | | | |
| Gains (losses) before tax expenses | | | | | | | |
| Profit tax expenses | | | | | | | |
| Profit (loss) for the period | | | | | | | |
| Basic profit (loss) per one share | | | | | | | |
| Thinned profit (loss) per one share | | | | | | | |

Table 3.

PROJECTIONS ON EACH TYPE OF MANAGED FUND
(AMD thousand)

| Type of Fund | ----- ----- | | | |
|-----------------------------|---|---|--------|--------|
| Indicator | Actual value (as of December 31 of the previous year) | Future years (as of December 31 of the respective year) | | |
| | | Year 1 | Year 2 | Year 3 |
| 1. Net assets of fund | | | | |
| 2. Return on assets of fund | | | | |

Table 4.

PROJECTIONS ON FINANCIAL ASSETS MANAGED WITHIN THE FRAMEWORK OF
SECURITIES PORTFOLIO MANAGEMENT SERVICE
(AMD thousand)

| Indicator | Actual value (as of December 31 of the previous year) | Future years (as of December 31 of the respective year) | | |
|---|---|---|--------|--------|
| | | Year 1 | Year 2 | Year 3 |
| 1. Managed cash, including: | | | | |
| 1.1. Armenian drams | | | | |
| 1.2. All other currencies (at exchange rate as of the date of work plan submission) | | | | |
| 2. Managed securities, including: | | | | |
| 1.1. public | | | | |
| 1.2. private | | | | |

Table 4.

**PROJECTIONS ON INDICATORS OF MANAGING EFFICIENCY OF MANAGEMENT
COMPANY AS AN INSTITUTIONAL STRUCTURE**

| Indicator | Actual value (as of December 31 of the previous year) | Future years (as of December 31 of the respective year) | | |
|---|---|---|--------|--------|
| | | Year 1 | Year 2 | Year 3 |
| Economic management efficiency Net profit/identical expenses | | | | |
| Return on assets Net profit/gross assets | | | | |
| Return on capital Net profit /total capital | | | | |
| Staff structure efficiency | | | | |
| Number of administrative staff (administrative staff are employees directly involved in core business of management company) | | | | |
| Number of support staff (administrative staff are employees not directly involved in core business of management company (e.g. driver) | | | | |
| Number of administrative staff / number of support staff | | | | |
| Management efficiency | | | | |
| Number of staff | | | | |
| Net profit/ number of staff | | | | |
| Training of staff Training costs/ number of administrative staff | | | | |
| Staff salaries Salaries and wages of administrative staff / number of administrative staff | | | | |
| Other indicators discretion | | | | |

| | | | | |
|-----------------------------------|--|--|--|--|
| of management company | | | | |
| Trade incentives | | | | |
| Promo expenses/total costs | | | | |

REFERENCE
ON LEGAL PERSONS AFFILIATED WITH THE INVESTMENT FUND MANAGEMENT
COMPANY AND LEGAL PERSONS AFFILIATED WITH PERSONS AFFILIATED WITH
THE INVESTMENT FUND MANAGEMENT COMPANY

| | | | |
|---|---------------------|--------------------------|---------------------|
| 1. Affiliation grounds (please, provide information about the person through whom legal person is affiliated.) | | | |
| Person's name (name, surname, passport number and series) | | | |
| 2. Data on affiliated person (organization) (Affiliation is determined based on Article 3 (36) of the Law of the Republic of Armenia "On Securities Market", whereas at the moment of completing this reference form persons of single family are deemed parents, spouse and children.) | | | |
| 2.1. Name | | | |
| 2.2. Address | | City, village | |
| _____ | | | |
| day/month/year | | | |
| 2.3. Date of registration | | | |
| 3. Information about qualified holders of affiliated legal persons (the CBA may additionally request financial statements of organizations indicated in paragraph 3.1, hereof.) | | | |
| 3.1. Legal persons having at least 10 percent of voting shares. | | | |
| Company name | Business address | Share in equity (in AMD) | Share in equity (%) |
| | | | |
| 3.2. Individuals having at least 10 percent of voting shares | | | |
| Name, surname, passport number and series | Residential address | Share in equity (in AMD) | Share in equity (%) |
| | | | |

| | | | |
|---|---------------------|---|--------------------------------|
| <p>4. Information about directors of the affiliated legal person (chairman and members of Board, CEO and chief accountant) (the CBA may additionally request that directors of the organization complete Appendix 5 of the present Regulation).</p> | | | |
| | | | |
| | | | |
| <p>Name, surname, passport number</p> | <p>Job position</p> | <p>Years of professional experience in the company (of which in the indicated job position)</p> | |
| <p>1.</p> | | | |
| | | | |
| <p>2.</p> | | | |
| | | | |
| | | | |
| | | | |
| <p>5. Other information</p> | | | |
| <p>5.1 Does the affiliated legal person have overdue (outstanding) liabilities for 30 days or more? Yes <input type="checkbox"/> No <input type="checkbox"/></p> | | | |
| | | | <p>Date day/month/year</p> |

REFERENCE
ON INDIVIDUALS AFFILIATED WITH THE INVESTMENT FUND MANAGEMENT
COMPANY AND INDIVIDUALS AFFILIATED WITH PERSONS AFFILIATED WITH THE
INVESTMENT FUND MANAGEMENT COMPANY

| | |
|--|---|
| 1. Affiliation grounds (please, provide information about the person through whom individual is affiliated.) | |
| Person's name (name, surname, passport number and series) | |
| 2. Data on affiliated person (Affiliation is determined based on Article 3 (36) of the Law of the Republic of Armenia "On Securities Market", whereas at the moment of completing this reference form persons of single family are deemed parents, spouse and children.) | |
| 2.1. Name, Surname _____ | |
| 2.2. Residential address: | |
| 2.3. Pasport number and series: | |
| 2.4 Type of affiliation: | |
| 3. 3. Other information: | |
| 3.1. Does the affiliated individual have overdue (outstanding) liabilities for 30 days or more? | Yes <input type="checkbox"/> No <input type="checkbox"/> If "yes", provide details |

3.2 Other information which you consider important:

4. *Hereby, I confirm that information provided hereof is accurate and true. I acknowledge that any false document or information provided by me can entail criminal and administrative liability provided by legislation.*

Name and surname of the competent
person of the investment fund
management company

Signature

Date

day/month/year

Seal

Cover Page of the Charter

| | |
|--|-------------------------------------|
| APPROVED | REGISTERED RA Central Bank |
| _____ (competent body of company) Date --/--/ ---- Resolution No ----- | |
| _____ (job position of competent person) | RA Central Bank Chairman |
| _____ (name, surname, signature) | _____ (name, surname, signature) |
| CHARTER | |
| ----- Full name (company, company branch or representation) | |

APPROVED

(competent body of company)

Date --/--/ ---- Resolution No -----

Changed by Resolution No ----- Date --/--/---- --
(name of competent body)

Resolution No ----- Date --/--/---- --
(name of competent body)

Resolution No ----- Date --/--/---- --
(name of competent body)

Appendix 19a of
Regulation 10/01
approved by the Republic of Armenia
Central Bank Board May 2, 2011
Resolution No 116-N

**APPLICATION
ON OPENING DEPOSIT ACCOUNT**

The Central Bank Chairman

Dear, -----

We would like to request -----
(company (founding company) full name)

Opening deposit account for ..., in order to increase statutory capital in accordance with procedure established by laws and other legal acts.

Person (persons) authorized to sign withdrawal applications:

(name, surname, patronymic, passport information, signature)

(name, surname, patronymic, passport information, signature)

(name, surname, patronymic, passport information, signature)

In case if the Central Bank does or does not authorize registration or licensing of the investment fund management company; does or does not authorize registration of the Charter change, we would request to transfer funds available on deposit account to the following account:

(name of the bank, account No)

(Other comments at applicant's choice)

Applicant person (persons)

/name, surname, signature of the competent persons (persons) of the organization (newly founded organization)/

/phone number, residential address/

List of Submitted Documents

| N | Document type |
|----------|----------------------|
| 1. | |
| 2. | |
| 3. | |
| ... | |

/ name, surname, signature of the competent person/