

Chairman of the Central Bank. In case there is no objection by the Financial Supervision Department within the 15-day period or the credit organization is not notified about the cease of the term, the organization can submit to the Central Bank the other documents, set by this point, to replenish the statutory capital with the sum, got from repayment of attracted means, available in the liabilities.

170. The changes in the list of managers of the credit organization are being registered at the Central Bank pursuant to Chapter 22 of this Regulation.

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

172. The new registration certificate and (or) license is being provided to the credit organization within 10 working days after registration of the Charter.

CHAPTER 27. THE PROCEDURE OF SUBMITTING THE CHANGES, NOT SUBJECT TO REGISTRATION, TO THE CENTRAL BANK

173. After getting the license, the credit organization submits the following changes to the Central Bank within 10 working days after the changes have taken place:

- 1) in case new internal legal acts, regulating activities of the credit organization, have been approved, or the existing internal legal acts have been amended – the newly approved internal legal acts or the amendments of existing internal legal acts and the internal legal acts (regulations, procedures, processes, programs and other similar documents, regulating activities of the credit organization) including those amendments,
- 2) in case of each change of the credit organization's facility and technical equipment, defined by Chapter 25 of this Regulation – a note about those changes, which contains a statement, that the changed facility and technical equipment meet the criteria, defined by Chapter 25 of this Regulation,
- 3) in case of amendments of the Charter of the credit organization's branch or representative office, founded outside the territory of the Republic of Armenia – the respective amendments,
- 4) in case of dismissal of the Chairman or the Deputy Chairman of the Board of the credit organization – a respective note, where the date of making decision by the competent management body and the date of implementing the change are mentioned.

174. In case of changes of information, defined by sub-points 2.3, 3.6, 3.8-3.9 or points 5-9 of the statement, defined by Appendix 4 of this Regulation, the credit organization submits the changes within three working days.

175. The credit organization, the branch of the credit organization submits to the Central Bank the changed version of economic program within 10 working days after the changes has taken place, if the strategy of the credit organization has ben changed. The justification of the change of the strategy is being

mentioned in the changed program. Moreover, a change in the tables, attached to the program, can be made only till the last day of June. After the mentioned deadline, a change can be made only in case of significant fluctuations of economic environment (for example, significant fluctuations of gross domestic product, prices, FX rates).

PART VII. OTHER PROVISIONS

CHAPTER 28. THE PROCEDURE OF PROVIDING FINANCIAL OPERATIONS OUTSIDE THE FACILITY OF THE CREDIT ORGANIZATION

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

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

CHAPTER 29. TRANSITIONAL PROVISIONS

177. Point 4 of this Regulation shall enter into force on January 7, 2015. Until then, the application about registration of the managers or the change of list of managers of the credit organization, and other documents required by this Regulation within that process, are being submitted to the Central

Bank in electronic form, by CBA-Net network, and in case of impossibility, by electronic drivers. Moreover, the statements about the managers and their activity are being submitted in “excel” format, and other documents, mentioned in this point, are being submitted in “pdf” format.

178. The requirements of paragraph 5 of the table of point 125 of this Regulation do not apply to the chairman of the oversight committee, deputy chairman of the oversight committee and members of the oversight committee, registered before this decision has entered into force.

179. The credit organization, branch of the credit organizations, operating at the moment of entering of this decision into force, must satisfy the requirements, set over the facility and technical equipment, defined by Chapter 25 of this Regulation, within 3 months after entering of this decision into force. Until then, they must meet the following requirements:

- 1) The credit organization or its territorial unit should have:
 - a. detached facilities, belonging to the credit organization by property right, leased (sub-leased) or received for a fee-free use,
 - b. cash vault and operational cash tilt (separated from other territorial units of the credit organization, branch of the credit organization), for carrying out transactions with cash and other valuables, providing cash services to the customers and safe depositing of cash and other valuables. The cash vault with its anteroom is the main vault for keeping cash and other valuables, as well as collateralized valuables and those for safekeeping. In case of the absence of the vault, a cash collection agreement shall be signed with the encashment service, for daily transportation and delivery of the mentioned values, as well as an agreement signed with a bank or another credit organization, if the aforementioned resources will be deposited with that bank, or credit organization, or a territorial division of the bank, or other credit organization. In case if the vault is absent, the credit organization may not perform collection of cash available in the cash tilt, if the daily balance of cash in the cash tilt does not exceed 5 million Armenian Drams, and the credit organization, or the territorial division of the credit organization has a special fireproof safe, which is attached to the floor or the wall of the tilt. If the Charter of the credit organization or its territorial division stipulates that it shall perform the activities defined in Article 8 of the Republic of Armenia law on “Credit Organizations” exclusively cashless, then the existence of the cash tilt is not necessary.
 - c. the credit organization and its branch, providing operations with cash money and (or) other valuables, should have a twenty-four-hour fire-control system, and a twenty-four-hour security alarm system. Furthermore, the twenty-four-hour fire-control system should be connected to the competent organization and the twenty-four-hour security alarm system should be connected to the police or a licensed security (guard) service and should be supported with the respective documentation. If the credit organization or the branches of the credit organization are located in the areas that have

internal twenty-four-hour security (guard) service, or a twenty-four-hour security alarm system, then the twenty-four-hour security alarm system of the facility should be connected to the twenty-four-hour security (guard) service, or a twenty-four-hour security alarm system, and shall be supported with the respective documentation.

- d. the credit organization and its branches must be connected with each other through a computer network. The computer network, connecting the branch with the head office, shall be installed after the branch is registered, within the period established by the decision of the Chairman of the Central Bank about the registration of the branch. For those branches, which do not have a chief accountant, the computer network should be connected to the branch at the moment of submitting the documents of registration of the given branch.

2) Instead of the requirements of technical equipment, defined by sub-points 1 of this point, the credit organization may sign a “Bankers Blanket Bond” (hereinafter, BBB) insurance contract for the following risks:

- a. risks of robbery, theft, burglary, misappropriation, embezzlement, fraud, including the risk of realization of counterfeit cash, securities and payment documents; or the risk of steal of the company’s property through providing fake contracts,
- b. risk of loss or damage of the property of the credit organization, including the risk of loss or damage of cash, securities, payment documents or other valuable property, located at the facility of the credit organization or transported.

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

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

- Standard and Poor’s - “BBB-“ of “BBB” group
- Moody’s - “Baa3” of “Baa” group
- A.M.Best - “B+” of “B” group
- Duff and Phelps - “BBB-” of “BBB” group
- Weiss - “B-” of “B” group
- Fitch – “BBB-” of “BBB” group

3) The credit organization, the branch of the credit organization carrying out foreign currency exchange operations should place the panel reflecting the exchange rates only inside its tilt. The credit organization, the branch of the credit organization places the panel reflecting exchange rates inside its tilt so that it cannot be seen from outside of the closed area. In case the credit organization, the branch of the credit organization has a panel outside its tilt, it shall reflect only the name of the licensed person, the license number, working days and hours.

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

Application for Registration and Licensing of Credit Organization

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

Dear Mr. _____

We (me), the undersigned persons (person), initiating the foundation of _____, have made a decision about *(name, type (group) and legal-organizational form of the credit organization)* state registration of the credit organization and getting a license of providing activities of credit organization.

We (I) would like to request you to register the credit organization and grant a license to the credit organization, pursuant to the legislation of the Republic of Armenia.

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

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

Postal address: _____

We assure that the facility and the technical equipment of _____ *(name of the credit organization)* are in compliance with the requirements, defined by Chapter 25 of Regulation 13, or

We assure that the facility and the technical equipment of _____ *(name of the credit organization)* will be brought into compliance with the requirements, defined by Chapter 25 of Regulation 13 within a _____ period after the licensing, and the Central Bank will be submitted with respective supporting documents. The copy of state title registration certificate, or the copy of the lease (sub-lease) agreement, or the copy of title registration of fee-free use of the facility and the copy of title certificate for the lease (sub-lease) or the copy of title certificate of fee-free use of the facility should also be submitted to the Central Bank. In case of a sub-lease agreement, the copy of the principal lease contract should be submitted as well.

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

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

Signature

Name, surname (company name)

Passport data, social services
number (TIN)

_____ 20__

Appendix 2
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

COVER-PAGE OF THE CHARTER OF CREDIT ORGANIZATION

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

(Appendix 2 was amended by decision No 363-N on 16.12.14)

Appendix 3
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

Petition about registration of the manager

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

Dear Mr. _____

We would like to ask you to:

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

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

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

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

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

Name, surname, signature of the person, authorized by the competent management body of the credit organization _____

« » _____ 20____

(Appendix 3 was amended by decision No 363-N on 16.12.14)

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

STATEMENT

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

Attach your
photo here

Please check this box if only the changes are submitted in the statement

1. Information on the financial institution

(please indicate the information about the organization where you will be a manager)

- The name of the financial institution and the code (if available)
(for the managers of a branch, please, indicate also the name of the branch and the code given to the financial institution by the Central Bank)

1.2 The type of the financial institution

- a bank
- a branch of a foreign bank
- a credit organization
- an insurance company
- a branch of a foreign insurance company
- an insurance broker
- an investment firm
- a branch of a foreign investment firm
- an operator of a regulated market
- the central depository
- a fund manager
- a foreign branch of a fund manager
- Bureau
- Payment-settlement organization

2. Managing position

2.1 Managing position that you shall occupy in the organization mentioned in point 1.1

- Member of the (supervisory) Board (board member)
- executive director (chairman of the executive board, head of the directorship, head of the executive body)
- deputy executive director (deputy chairman of the executive board)
- member of directorship (executive board, executive body)
- chief accountant
- deputy chief accountant
- head of internal audit

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

2.2. Check

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

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

2.4. Indicate, if you are:

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

3. Personal information

3.1. First name, last name, middle name

3.2 Sex

- male
- female

3.3 Date of birth (day/month/year)

3.4 Place of birth

3.5 Nationality

3.6. Indicate

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

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

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

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

5. Other information on the manager (responsible person)

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

- No,
- Yes, provide the details

5.2 Have you been convicted of committing an intentional crime?

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

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

- No
- Yes, provide details

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

- No,
- Yes, provide details

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

- No,
- Yes, provide details

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

- No,
- Yes, provide details

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

- No
- Yes, provide details

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

- No,
- Yes, provide details

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

- No,
- Yes, provide details

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

- No,
- Yes, provide details

6. Significant participation and affiliation

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

Indicate your participation starting from the largest participation at present.

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

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

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

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

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

Indicate participations starting from the largest participation at present.

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

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

6.3 Indicate

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

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

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

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

7. Cash (or other) liabilities

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

manager?

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

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

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

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

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

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

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

8. Other information

8.1 Indicate

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

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

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

8.2 Indicate

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

<i>Name of the organization</i>	<i>Address</i>	<i>Type of affiliation</i>	<i>TIN</i>	<i>Phone number</i>

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

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

- No,
- Yes, provide details

10. Other documents

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

I have met the document called “The direction of the Board members activity”, defined by Appendix 41 of Regulation 1 “On Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Banking”, approved by decision No 145-N of the Board of the Central Bank of the Republic of Armenia on 12 April 2005 “On approval of Regulation 1 “On Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Banking””.

- Yes
- No

11. I hereby certify that

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

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

Date (day/ month/year) _____

The signature of the manager presented for a registration

Attach the sample of the
signature here

(Appendix 4 was amended by decision No 363-N on 16.12.14)

Appendix 5
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

Form of Regulation of Credit Organization’s Business Activities and Economic Program

Section 1. General Provisions

Section 2. Trends of Financial Development Prospects

Section 3. Internal Organizational Structure of the Credit Organization and Principles of Management

Section 4. Instruments, Methods and Procedures on Attraction and Placements of Funds by the Credit Organization

Section 5. Description of Potential Investment Markets

Section 6. Methods to Improve Competitiveness

Section 7. Capital, Calculation of Income and Expenses

Section 8. Assessment of Potential Risks

Section 9. Board Control over Implementation of the Economic Program

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

Section 11. Other provisions

Sub-Appendixes and the required attached information

Section 1. General Provisions

1. General provisions of the credit organization business activities regulation shall reflect:
 - 1) the name, type (group) and place of location of the newly-created credit organization;
 - 2) backgrounds for the establishment of the credit organization by the founders (initiative group);
 - 3) mission of the credit organization;
 - 4) objectives of the credit organization;
 - 5) legal and organizational form of the credit organization;
 - 6) the list of participants of the credit organization and the size of participation;
 - 7) the list of the managers of the credit organization.

Section 2. Trends of Financial Development Prospects

2. This section describes:
 - 1) main directions of the credit organization business activities, the list of the planned financial operations, and their short description;
 - 2) the expected role, share of the credit organization in the market, the area of servicing;

- 3) activities of the legal persons affiliated with the credit organization, their organizational structure, the nature of affiliation, future interaction of the credit organization with the affiliated legal persons;
- 4) the operations performed by the credit organization and its affiliated persons, if such are planned;
- 5) peculiarities and the expected number of the credit organization's potential customers (such as, shareholders of the credit organization, individual farms, etc.), the names of the large customers;
- 6) the list of the planned branches of the credit organization, their place of location (only for the resident credit organizations);
- 7) the planned directions of placement of funds, types of activities (investments in securities, different types of crediting etc.), describe their peculiarities, terms of placement of funds, assess the competitiveness of the credit organization from the point of view of the placement of funds;
- 8) the crediting programs of the credit organization (such as, program on mortgage loans, etc.). Inform about the credit organization's intention to provide risky credits (incompliant borrowers, provision of blank credits, etc.), describe the process, if available.

Section 3. Internal Organizational Structure of the Credit Organization and Principles of Management

3. This section shall:
 - 1) describe the internal organizational structure of the credit organization (if it is not defined in the Charter of the credit organization), the operational system, the names and the main functions of the structural divisions and services, their authorities, responsibilities, and the interaction between them, the number of the credit organization's managers and staff;
 - 2) substantiate the abovementioned organizational structure from the point of view of implementation of this regulation by the credit organization;
 - 3) define the management bodies of the credit organization (general meeting of shareholders, the board, the executive body, the executive board), and the interaction between them, the authorities and responsibilities of the management bodies (only for resident credit organizations);
 - 4) indicate the approximate structure of the management bodies;
 - 5) describe the activities, rights and responsibilities of the committees established by the Board of the credit organization (e.g. investment, credit, etc.);
 - 6) describe the main principles of the work organization, and the requirements on ethics;
 - 7) indicate the salaries of the credit organization's executive managers and employees, by job positions;
 - 8) define the programs aimed at improving the quality of performance of the credit organization's management and staff, such as the programs of the staff training, etc.;

- 9) describe the internal control system of credit organizations (including, internal informational flows of the credit organization, the system of reporting), the applied accounting and payment-settlement systems;
- 10) provide program of measures on technical upgrading and introduction of credit technologies;
- 11) define the functions of the internal audit, including description of measures for ensuring the independence of the internal audit unit, the scope and the frequency of audits;
- 12) describe the requirements relating to internal audit, proficiency and work experience of the auditors;
- 13) describe all the procedures and measures that are implemented with the view to ensuring the compliance of credit organization's activities with the requirements of the legislation, other legal acts of the Republic of Armenia, as well as the credit organization's internal regulations (policies, by-laws, etc.);
- 14) describe the measures taken in response to the complaints of the customers of the credit organization;
- 15) define the principles of selection of an independent audit company.

Section 4. Instruments, Methods and Procedures on Attraction and Placement of Funds by Credit Organizations.

4. This section describes:

- 1) the main sources and methods for the attraction of borrowings, assessment of competition in loan market, and the methods of competition;
- 2) the planned directions of the placement of funds, types of operations (investments in securities, different types of loans, etc.), their peculiarities and conditions for the placement of funds;
- 3) credit programs of the credit organization; (such as mortgage loans' program, etc.);
- 4) procedures on attraction on attraction and placement of funds by the credit organization, which should include:
 - a. procedure and conditions for the assessment of the creditworthiness of the borrower (borrower, credit borrower, lessee, customer with a factoring contract, etc.), provision of borrowings, servicing, monitoring, control and repayment;
 - b. reference forms of the applications for financial operations, reference forms of the other documents, which are usually used for contracts and during business activities.
- 5) describe the advertisement strategy of the credit organization (frequency of advertisements, their types, etc.), with the view to capturing a particular market, creating a trademark, etc.;
- 6) describe the subsequent marketing expenses for capturing a particular market.

Section 5. Description of Potential Investment Markets

5. The analysis of potential markets should be based on numerical data and other actual indicators. The program should also indicate sources of information, the grounds and preconditions of economic, competition and other types of assumptions and forecasts. This section describes:
- 1) those financial markets (target markets) where the credit organization is planning to carry out its activities, in particular:
 - a. economic characteristics of the market (capacity, profitability of a particular sector, etc.), prospects of long-term development;
 - b. forecast of business activities of the credit organization in markets, the quantitative and qualitative assessment;
 - c. territorial coverage of market;
 - d. possibilities of implementation of new types of instruments and introduction of new types of services in market by the credit organization (if such activities are planned).
 - 2) reliance of the credit organization's target markets and the projected customers on the other sectors of economy, developments trends of those sectors;
 - 3) a three-year forecast on change of the economic environment, in particular from the point of view of inflation, unemployment, interest rate levels, fiscal and monetary policies. The regulation should indicate the most probable scenarios of the changes of the economic environment, and assess the possible economic recessions and their impact over credit organizations;
 - 4) how the possible changes in the economic environment may affect the credit organization's target markets, as well as their possible impact on the operations performed by the credit organization and the provided services.

Section 6. Methods to Improve Competitiveness

6. This section shall:
- 1) compare services provided by the credit organization in target market (markets) and its marketing strategies with those of the main competitors of the credit organization in a particular market;
 - 2) describe the relative advantages and disadvantages of the credit organization compared with its main competitors (such as price policies, goodwill of the credit organization, market share, etc.), substantiate the competitiveness of the credit organization;
 - 3) describe methods of improving competitiveness;
 - 4) describe the potential competitors of the credit organization in target market.

Section 7. Capital, Calculation of Income and Expenses

7. This section shall:

- 1) describe the target size and structure of the credit organization's capital, the ways to accomplish it, as well as the programs aimed at meeting the standards on regulatory capital;
- 2) explain the capitalization strategy of the credit organization (including domestic and foreign sources for financing the planned amount of the total capital, and the main measures aimed at ensuring compliance with the capital adequacy);
- 3) indicate the planned level of profitability, and the strategy aimed at achieving the planned return on assets, net percentage margin, or other profitability criteria;
- 4) provide a three-year forecast on incomes and expenses, based on the results of markets analysis (Regulation 13, Appendix 5, Form 3);
- 5) given the provided financial projections, the impact of the internal and the external risks over capital adequacy is being assessed;
- 6) describe the policies on distribution of dividends.

Section 8. Assessment of Potential Risks

8. Credit risk

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

9. Liquidity risk

- 1) describe the credit organization's liquidity (assets and liabilities management) strategy;
- 2) describe the credit organization's programs on the liquidity risk management (identification, assessment and control of risks), assess the acceptable level of the risk;
- 3) describe the structure of the planned assets and liabilities by the maturity periods;
- 4) provide methods of managing the maturity gap between attracted and allocated funds.

10. Market risk

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

- 2) describe foreign exchange operations, programs on foreign exchange risk management (identification, assessment and control of risks), assess the acceptable level of risk;
- 3) describe the credit organization's portfolio of assets and liabilities, which are exposed to market risk, and review the impact of possible changes of price over the profitability, capital and net value of portfolio;
- 4) describe the use of hedging instruments (such as futures, options, interest rate swaps, etc.) by the credit organization.

11. Other risks, important for the credit organization, are also being described in this section.

Section 9. Board Control over Implementation of the Economic Program

12. This section describes:

- 1) the process of monitoring execution of the regulation by the Board of the credit organization;
- 2) the process of introducing changes in the regulation by the Board of the credit organization;

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

13. The alternative regulation should describe the activities undertaken by the credit organization in case of unfavorable changes of market conditions. The alternative regulation should establish the strictest processes of risk management. It should include the scenarios for boosting the credit organization's capital in future in case of a need, as well as the procedure for building and use of the credit organization's emergency reserves. The alternative regulation should describe the methods for ensuring financial protection of the credit organization in case if unexpected losses have been incurred.

Section 11. Other Provisions

14. The regulation of the credit organization's business activities should be consistently revised in case of changes of environment;
15. If the respective forms for submission of information are not defined by this Regulation, it can be submitted in a free style;
16. The regulation of the credit organization's business activities may in addition include information, which is not required by this regulation, however it is considered important by the initiators (such as analysis and assessment of potential risks, etc.).

Sub-Appendixes and necessary attached information (including form 1, form 2 and form 3).

17. Attached to the regulation of the credit organization's business activities there should be:

- 1) capital calculation of the credit organization for the up-coming three financial years (Regulation 13, Appendix 5, form 1);

- 2) draft balance sheet calculation for the up-coming three financial years (Regulation 13, Appendix 5, form 2);
- 3) projection on incomes and expenses for the up-coming three financial years (Regulation 13, Appendix 5, form 3);
- 4) the list of managers proposed by the credit organization (including the heads of territorial divisions and departments), with a short CV;
- 5) statement on all the financial and property liabilities of the credit organization's future managers and their affiliated persons, including the outstanding and restructured liabilities.

CAPITAL CALCULATION OF CREDIT ORGANIZATION
(projection)

(thousand Drams)			
CAPITAL	Up-coming years		
	Year 1	Year 2	Year 3
Core Capital			
Statutory capital			
General reserve			
Retained profit			
Total core capital			
Additional Capital			
Revaluation reserves			
The reserve for foreign exchange fluctuations emerged during the balance sheet consolidation			
Other reserves			
Long-term subordinate borrowings			
Total additional capital			
Total capital (core capital + additional capital)			
Qualitative assessments			
1. "Total capital/risk-weighted assets" ratio (%)			
2. "Total capital/attracted funds" ratio			

DRAFT BALANCE SHEET CALCULATIONS
(projections)

(thousand Drams)			
ASSETS	Up-coming years		
	Year 1	Year 2	Year 3
Cash and Payment document			
Banking accounts			
Financial assets available for trading purposes			
Claims towards banks and other financial organizations			
REPO agreements and FX swaps			
Financial assets, available for sale			
Credits (loans) provided to customers			
Other operations and receivable funds against them, including:			
guarantees			
receivables against financial leasing transactions			
dividends receivable			
receivables on trust management operations			
Hedging derivative instruments			
Receivables and prepayments			
Investments held to maturity			
Investments in statutory capital of other persons			
Capital investments in fixed assets and intangible assets			
Intangible assets (less amortization and depreciation)			
Fixed assets (less amortization and depreciation)			
Other assets			
Unrealized income from financial leasing			
Total assets			
LIABILITIES			
Liabilities			

Borrowings and loans received from banks			
Borrowings and loans received from other financial organizations			
Liabilities to other creditors			
Liabilities to the Government of the Republic of Armenia and governments of other foreign states			
Other payable amounts			
Liabilities on provided checks			
Payables			
Asset-relating grants			
Reserves			
Unrealized losses from financial lease			
Other liabilities			
Capital			
Statutory capital			
General reserve			
Revaluation reserves			
Repurchased capital			
Retained profit			
Total liabilities			

APPENDIX 5
Form 3
of Regulation 13

Calculation of income and expenses
(projections)

(thousand Drams)				
		Up-coming years		
		Year 1	Year 2	Year 3
1	Interest income from:	x	x	x
1.1	Banking accounts			
1.2.	Placements with commercial banks			
1.3.	Placements with other financial organizations			
1.4.	Credits (loans) provided to natural persons and sole entrepreneurs			
1.5.	Credits (loans) provided to legal persons and offices			
1.6.	Credit cards			
1.7.	Loans provided to employees of the credit organization			
1.8.	Placements, such as banking accounts, deposits, loans and other borrowings, with persons affiliated with the credit organization			
1.9.	Interest on the RA Treasury bills, including from securities managed under repurchase agreements			
1.10.	Foreign exchange swaps and REPO agreements			
1.11.	Financial leasing			
1.12.	Factoring			
1.13.	Other securities			
1.14.	Other interest income			
Total interest income				
2.	Interest expenses	x	x	x

2.1.	Interest paid on loans and borrowings attracted from commercial banks and other financial organizations			
2.2.	Foreign exchange swaps and REPO agreements			
2.3.	Borrowings received from customers			
2.4.	Liabilities to the RA government and governments of other countries			
2.5.	Borrowings from international financial organizations			
2.6.	Overdrafts			
2.7.	Interest expenses on securities issued by the credit organization			
2.8.	Financial leasing			
2.9.	Interest paid on sub-ordinate loans			
2.10.	Other liabilities			
	Total interest expense			
	Net interest income			
3.	Non-interest income	x	x	x
3.1.	Commissions received			
3.2.	Income from guarantees, acceptances, and trust management operations			
3.3.	Net income on derivative instruments			
3.4.	Net income on factoring			
3.5.	Income on investments in other organizations			
3.6.	Net income on sale of securities			
3.7.	Net income on resale of securities purchase through REPO agreements			
3.8.	Net income on trade of foreign exchange			
3.9.	Positive (negative) FX difference resulting from revaluation of exchange rate			
3.10.	Net income on alienation of fixed assets and intangible assets			
3.11.	Net income on revaluation of fixed assets and intangible assets			
3.12.	Net income on revaluation of financial assets available-for-			

	sale and held to trade purposes			
3.13.	Extraordinary income			
3.14.	Received fines and penalties			
3.15.	Other non-interest income			
Total non-interest income				
4.	Non-interest expenses	x	x	x
4.1.	Calculated salaries and other equipollent payments			
4.2.	Business trip expenditures			
4.3.	Contributions to the RA Social Insurance Fund			
4.4.	Taxes, duties and other mandatory payments			
4.5.	Amortization deductions			
4.6.	Payment for rent of buildings and other fixed assets			
4.7.	Expenses on economic maintenance and security of buildings			
4.8.	Expenses on provision and return of loans			
4.9.	Advertisement and representative expenses			
4.10.	Office and printing expenses			
4.11.	Expenses on audit and consulting services			
4.12.	Expenses on servicing and maintenance of computer software and equipment			
4.13.	Transportation expenses			
4.14.	Expenses on communication			
4.15.	Paid fines and penalties			
4.16.	Training and education expenses			
4.17.	Expenses on insurance			
4.18.	Other non-interest expenses			
Total non-interest expenses				
Net non-interest income				
5.	Contributions for asset loss reserves	x	x	x
5.1.	Contributions for general reserves of loss on loans and receivables			

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

Appendix 6

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

**APPLICATION
FOR OPENING A SAVING ACCOUNT**

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

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

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

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

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

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

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

(name of the bank, account number)

(other notes in discretion of the applicant)

Authorized person (persons)

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

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

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

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations” Regulation 13

SAMPLE OF REGISTRATION CERTIFICATE OF THE CREDIT ORGANIZATION

	<p><u>Registered</u> by decision of the Central Bank of the RA No _____ of _____</p>
<p>THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA</p>	<p><u>REGISTRATION CERTIFICATE No</u> ---</p>
<p><u>REGISTRATION CERTIFICATE OF CREDIT ORGANIZATION</u></p>	<p>Pursuant to the laws of the Republic of Armenia “On credit organizations” and “On the Central Bank of the Republic of Armenia”, this certificate is granted to</p>
<p>YEREVAN</p>	<p>----- <i>(name, type (group) ,organizational-legal form of the credit organization)</i></p>
	<p>Place of residency _____</p>
	<p>Registration number _____</p>
	<p>Date of registration _____</p>
	<p>Taxpayer identification number _____</p>
	<p>Chairman of the Central Bank of the Republic of Armenia _____</p>
	<p>«.....» 20</p>

Appendix 8
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

SAMPLE OF THE LICENSE OF CREDIT ORGANIZATION

Chairman of the Central Bank
of the Republic of Armenia

.....
-----20-----

License of a credit organization No

This license is granted to _____
(full firm name of the credit organization)

To execute activities and financial operations of credit organization in Armenian Drams and foreign currencies, prescribed by the Law of the Republic of Armenia “On credit organizations”

State registration number _____

Appendix 9

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

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

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to found the
(full name of the credit organization)

_____ branch within the territory of the Republic of Armenia.
(name of the branch)

We would like to ask you to register the credit organization’s _____
(name of the branch)

branch, pursuant to the legislation of the Republic of Armenia.

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

We assure that the facility and the technical equipment of _____
(name of the branch)

are in compliance with the requirements, defined by Chapter 25 of Regulation 13, or

We assure that the facility and the technical equipment of _____
(name of the branch)

will be brought into compliance with the requirements, defined by Chapter 25 of Regulation 13 within a _____ period after the registration, and the Central Bank will be submitted with respective supporting documents.

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

Name, surname, signature of the executive director of the credit organization

_____ 20____

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations” Regulation 13

SAMPLE OF REGISTRATION CERTIFICATE OF THE BRANCH OF CREDIT ORGANIZATION



THE CENTRAL BANK OF THE
REPUBLIC OF ARMENIA

REGISTRATION CERTIFICATE OF THE BRANCH OF
CREDIT ORGANIZATION

YEREVAN

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

REGISTRATION CERTIFICATE No ---

Pursuant to the laws of the Republic of Armenia “On credit organizations” and “On the Central Bank of the Republic of Armenia”, this certificate is granted to the _____ branch of the
(name of the branch)
_____ credit organization.
(name of the credit organization)

Place of residency _____

Registration number _____

Date of registration _____

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

_____ 20____

Appendix 11
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

**APPLICATION FOR REGISTRATION OF A CREDIT ORGANIZATION’S REPRESENTATIVE OFFICE
WITHIN THE TERRITORY OF THE REPUBLIC OF ARMENIA**

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to found the
(full name of the credit organization)
_____ representative office within the territory of the
(name of the representative office)
Republic of Armenia.

We would like to ask you to register the credit organization’s _____
(name of the representative office)
representative office, pursuant to the legislation of the Republic of Armenia.

Justifications of foundation of the representative office

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

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

Name, surname, signature of the executive director of the credit organization

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations” Regulation 13

SAMPLE OF REGISTRATION CERTIFICATE OF THE REPRESENTATIVE OFFICE OF CREDIT ORGANIZATION



THE CENTRAL BANK OF THE
REPUBLIC OF ARMENIA

**REGISTRATION CERTIFICATE OF THE
REPRESENTATIVE OFFICE OF CREDIT ORGANIZATION**

YEREVAN

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

REGISTRATION CERTIFICATE No ---

Pursuant to the laws of the Republic of Armenia “On credit organizations” and “On the Central Bank of the Republic of Armenia”, this certificate is granted to the _____ representative office of the
(name of the representative office)
_____ credit organization.
(name of the credit organization)

Place of residency _____
(address of the representative office of the credit organization)

Registration number _____

Date of registration _____

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

_____ 20 _____

Of “Procedures of Licensing, Registration, Giving Consent and Permission,
Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit
Organizations” Regulation 13

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

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to found the
(full name of the credit organization)
_____ branch in _____
(name of the branch) (name of the country)

We would like to ask you to give the consent to open the credit organization’s
_____ branch outside the territory of the Republic of Armenia, pursuant
(name of the branch)
to the legislation of the Republic of Armenia.

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

We assure that the facility and the technical equipment of _____
(name of the branch)
are in compliance with the requirements, defined by Chapter 25 of Regulation 13, or

We assure that the facility and the technical equipment of _____
(name of the branch)
will be brought into compliance with the requirements, defined by Chapter 25 of Regulation 13 within a
_____ period after the registration (licensing), and the Central Bank will be submitted with
respective supporting documents.

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

Name, surname, signature of the executive director of the credit organization

_____ 20____

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

**APPLICATION FOR GETTING A PRIOR CONSENT TO OPEN A CREDIT ORGANIZATION’S
REPRESENTATIVE OFFICE OUTSIDE THE TERRITORY OF THE REPUBLIC OF ARMENIA**

To: Mr. _____
Chairman of the Central Bank

Dear Mr. _____

_____ has decided to found the
(full name of the credit organization)
_____ representative office in _____
(name of the representative office) (name of the country)

We would like to ask you to give the prior consent to open the credit organization’s
_____ representative office outside the territory of the Republic of
(name of the representative office)
Armenia, pursuant to the legislation of the Republic of Armenia.

Justifications of foundation of the representative office

In accordance with the laws and other legal acts of the Republic of Armenia, we submit the attached documents, necessary for getting the prior consent to open a representative office of the credit organization (attached, ___ pages).

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

Name, surname, signature of the executive director of the credit organization

Appendix 15

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

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

APPLICATION

On change of a type (group) of a credit organization

Dear Mr. _____

The _____, the highest management body of
(the name of the highest management body)

_____ credit organization, by its resolution No _____
(the full firm name of a credit organization)
on dd/mm/yyyy has decided to change the type (group) of the credit organization to
_____ and apply to the Central Bank of the Republic of
(indicate the new type (group) of a credit organization)

Armenia with the purpose to obtain the consent, provided by point 3 of Article 22.1 of Chapter 6.1 of the Law of the Republic of Armenia “On credit organizations”.

Based on Article 22.1 of Chapter 6.1 of the Law of the Republic of Armenia “On credit organizations”, and guided by the aforementioned Resolution, pursuant to the abovementioned decision, I would like to ask you to give consent to this Application and the documents, submitted to the Central Bank, necessary for the change of the type (group) of the credit organization,

In accordance with the laws and other legal acts of the Republic of Armenia, I present attached the documents necessary for getting the consent for the change of the type (group) of the credit organization (attached ----- pages).

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

Head of executive body of

(full firm name of the credit organization)

(signature, name, surname)

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

**A Program
of the change of the type (group) of a credit organization**

1. This program is a document justified by concrete calculations, analysis and baseline provisions, composed for the upcoming three full financial years after the change of the type (group) of the credit organization, describing and justifying the economic activity of the credit organization.
2. The program consists of two parts:
 - 1) **Part one:** Information detecting the procedure of the change of the type (group) of the credit organization
 - 2) **Part two:** Necessary measures
3. In the first part of the program the following is mentioned:
 - 1) the purposes and reasons of the change of the type (group) of the credit organization,
 - 2) the list and description of financial operations that the credit organization is going to carry out (including, new lending programs), the timetable of introducing new financial services,
 - 3) the description of the financial markets (target markets) in which the credit organization is going to carry its business (provide new financial services or significantly increase the provided services), particularly the economic description of markets (its volumes, the profitability of the area, etc.) long-term development trends, the forecast of a credit organization’s business activity in markets, its qualitative and quantitative assessment, the geographical involvement of the market,
 - 4) the comparison of new or significantly increasing financial services and marketing strategy of the credit organization within a target market with the basic competitors of the credit organization in that market, the description of relative advantages and disadvantages (price policy, reputation, market share etc.) of the credit organization towards the basic competitors of the credit organization from the perspective of new or significantly increasing financial services, a justification of the credit’s competitiveness, the description of methods to survive the competition, the description of potential competitors of the credit organization in the new target market, the description of necessary marketing expenditure to attract the target market,
 - 5) the approximate description of the credit organization’s loan portfolio (structure by areas, maturity, types of loans and etc.) after one, two and three years (hereinafter upcoming years) after the day of getting the license of change of the type (group) of the credit organization,

- 6) forecasted structure of assets and liabilities by the terms for upcoming years, the necessity of a change of the liquidity strategy (assets and liabilities management) of the credit organization,
 - 7) the description of significant risks (credit risk, FX risk, interest rate risk, etc.) relating to provision of new or significantly increased financial services, possible legal risks arising in case of change of the type (group) of the credit organization, as well as the management of those risks by the credit organization,
 - 8) forecasts of assets, liabilities, capital, incomes and expenses for upcoming years, in accordance with Appendix 1 of this Appendix,
 - 9) other information that is important, according in opinion of the credit organization
4. The followings are mentioned in the second part of the program:
- 1) the measures, their sources and terms, implementing for securing the required and adequate capital level of the credit organization,
 - 2) the proposed changes (if available) in allocations and functions of territorial and structural divisions; and in case of new structural divisions, the number of the head and employees of the division and salaries by positions,
 - 3) the names of possible banks and (or) credit organizations with whom the credit organization intends to sign a transfer contract of those assets and liabilities, for which the financial activities of allocation or handling is prohibited by the legislation of the Republic of Armenia for the new type (group) of the credit organization, and the schedule and forms of repayment (in case the early repayment is prescribed by the contract) of assets and liabilities mentioned in this paragraph, in case the transfer contract is not prescribed.
 - 4) technologies (if any), invested by the credit organization during the time period of the change of the type (group) of the credit organization.
 - 5) the changes in the field of risks management, proposed by the credit organization,
 - 6) the directions of trainings of the credit organization's employees (if available),
 - 7) other information that is important in opinion of the credit organization,
 - 8) a separate mentioning about the deadline of submitting the amendments of the Charter and other required documents to the Central Bank, in case the Central Bank makes a decision to give consent to the application.

CALCULATION OF THE CAPITAL OF THE CREDIT ORGANIZATION
(projection)

(thousand AMD)			
CAPITAL	Upcoming years		
	1 st year	2 nd year	3 rd year
Core Capital			
Statutory capital			
General reserve			
Retained profit			
Total core capital			
Additional capital			
Long-term sub-ordinated loan			
Other elements of additional capital (indicate): «Other elements of additional capital» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of total additional capital, otherwise indicated in one number.			
Total additional capital			
Total capital (core capital + additional capital)			
Qualitative assessment			
1. “Total capital/risk-weighted assets” ratio (%)			
2. “Total capital/attracted funds” ratio			

DRAFT BALANCE SHEET CALCULATIONS
(projections)

(thousand AMD)			
ASSETS	Upcoming years		
	1 st	2 nd	3 rd
Cash funds, payment documents and bank accounts			
Financial assets, held for trade and available for sale			
Investments held to maturity			
Claims against banks and other financial organizations			
Credit investments, including;			
Financial leasing			
Factoring			
Consumer loans			
Commercial loans			
Agricultural loans			
Mortgage loans			
Other credit investments. «Other credit investments» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of credit investments, otherwise indicated in one number.			
Investments in statutory capital of other persons			
Capital investments in fixed assets and intangible assets			
Intangible assets (deducted by depreciation and amortization)			
Fixed assets (deducted by depreciation and amortization)			
Other assets (indicate): «Other assets» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of total assets, otherwise indicated in one number.			
Total assets			
LIABILITIES			
Liabilities			
Credits and loans received from banks and other financial organizations			
Funds received from international financial organizations			
Liabilities towards other lenders			
Other payable amounts (payables and etc.)			
Other liabilities (indicate): Elements of «Other liabilities» are being indicated separately only in case, when the projected amounts for			

those elements exceed 10 % of projected amount of total liabilities, otherwise indicated in one number.			
---	--	--	--

Form 3

Calculation of income and expenses
(projections)

		(thousand AMD)		
		Upcoming years		
		1 st	2 nd	3 rd
1	Interest income, including from:	x	x	x
1.1.	Placements with commercial banks and other financial organizations			
1.2.	Credits (loans) given to natural persons and sole entrepreneurs			
1.3.	Credits (loans) given to legal persons and offices			
1.4.	Placements with the related parties of the credit organization			
1.5.	Interests received from investments in securities			
1.6.	Other interest income (indicate): Elements of «Other interest income» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of interest income, otherwise indicated in one number.			
Total interest income				
2.	Interest expenses	x	x	x
2.1.	Interest paid on credits and loans attracted from commercial banks and other financial organizations			
2.3.	Interest paid on funds attracted from international financial organizations			
2.5.	Interest paid on other received loans			
2.7.	Interest expenses on securities issued by the credit organization			
2.9.	Interest paid on sub-ordinate loans			
2.10.	Other interest expenses (indicate): Elements of «other interest expenses» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of interest expenses, otherwise indicated in one number.			
Total interest expense				
Net interest income				

3.	Non-interest income	x	x	x
3.1.	Received commissions			
3.5.	Incomes received from investments in other organizations			
3.6.	Net income received from sale of securities			
3.9.	Positive (negative) FX difference resulting from revaluation of exchange rate			
3.10.	Net income from alienation of fixed assets and intangible assets			
3.14.	Received penalties, fines			
3.15.	Other non-interest incomes (indicate): Elements of «other non-interest income» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of non-interest income, otherwise indicated in one number.			
Total non-interest income				
4.	Non-interest expenses	x	x	x
4.1.	Calculated salary and other payments equipollent to that, contributions to the Social Security Fund of the Republic of Armenia			
4.2.	Business trip expenditures			
4.4.	Taxes, duties and other mandatory payments			
4.5.	Amortization deductions			
4.6.	Payment for rent of buildings and other fixed assets			
4.7.	Expenses on economic maintenance and security of buildings			
4.8.	Expenses on provision and return of loans			
4.9.	Advertisement and representative expenses			
4.10.	Office and printing expenses			
4.11.	Expenses on audit and consulting services			
4.12.	Expenses on servicing and maintenance of computer software and equipment			
4.13.	Expenses on services (transportation, communication and other)			
4.15.	Paid penalties, fines			
4.16.	Expenses on trainings and education			
4.17.	Expenses on insurance			
4.18.	Other non-interest expenses (indicate): Elements of «other non-interest expenses» are being indicated separately only in case, when the projected amounts for those elements exceed 10 % of projected amount of non-interest expenses, otherwise indicated in one number.			
Total non-interest expenses				
Net non-interest income				

5.	Net contributions for possible asset loss reserves	x	x	x
5.1.	Contributions for general reserve of possible loss on loans and receivables			
5.2.	Contributions for special reserve of possible loss on loans and receivables			
5.3.	Contributions for securities loss reserves			
5.4.	Contributions for loss reserves for guarantee and other contingent liability			
	Total net contributions			
	Profit before taxation			
	Profit tax			
	Net profit			
	Calculated dividends, including:			
	on preferred shares			
	on ordinary shares			
	Retained profit			

Appendix 17

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

Application form for realising the license for the change of the type (group) of the credit organization

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

A P P L I C A T I O N

Dear Mr _____

Based on the consent to change the type (group) of _____,
(name of the credit organization)

given the decision of the Board of the Central Bank of the Republic of Armenia No. _____ as of ____/____/____, as well as the measures, conducted in accordance with the program of change of the type (group) of the credit organization, submitted to the Central Bank of The Republic of Armenia on ____/____/____, we would like to ask you to register the amendments of the Charter of the credit organization and execute a release of the license.

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

Head of executive body of

(full firm name of the credit organization)

(signature, name, surname)

Appendix 18

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

STATEMENT
on Acquisition of Significant Participation in the Statutory Capital of the Credit Organization by a Legal Person

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

Dear Mr. _____

We would like to ask for the consent of the Central Bank on acquisition of significant participation in the statutory capital of _____ credit organization
(name of the credit organization)

by _____.
(name of the legal person, acquiring significant participation)

PART 1

Filled by the legal person, intending to acquire the significant participation in the statutory capital of the credit organization

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

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

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

3.1. Specify the terms and conditions of acquiring the participation

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

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

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

1) Name of the lender _____

2) Place of residency/address _____

3) Amount of loan/borrowing _____

4) Collateral _____

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

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

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

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

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

5. Information on participation in the statutory capital of other persons.
The Central Bank may additionally require the financial reports of the mentioned organizations

5.1. For participation in 10 and more percent of voting shares

Name of the organization	Place of residency	Amount of participation (in drams)	Participation (in %)
1)			
2)			
3)			

Appendix 19 of this Regulation should be filled for the persons, mentioned in this point

5.2. For other participation:

Name of the organization	Place of residency	Amount of participation (in drams)	Participation (in %)
1)			
2)			
3)			

6. Information on organization's managers (Chairman of the board, member of the board, executive director and chief accountant)

The Central Bank may additionally require the Appendix 4 to be also filled for the managers of the organization (Appendix 4 is mandatory for the executive director and chief accountant of the participant of credit organization)

Name, surname, passport data, social services number	Position	Years worked in organization (of which, in current position)
1)		
2)		
3)		

7. Information on affiliated parties
The affiliation should be considered in accordance with Article 11 of the Law of the Republic of Armenia "On credit organizations"

Name of organization; or name, surname, passport data, social services number of the person	Place of residency	Type of affiliation
1)		
2)		
3)		

8. Information on the participants of the legal person, acquiring significant participation			
Name (name, surname) of the participant	Amount of participation (in Drams)		Participation (%)
1)			
2)			
3)			
9. Other information			
<p>9.1. Does the organization have liabilities overdue for 30 days and more? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>9.2. Are the grounds, defined by part 2 of Article 10 of the Law of the Republic of Armenia “On credit organizations”, and the Law of the Republic of Armenia “On Anti-Money Laundering and Combating the Financing of Terrorism” and the normative legal acts, approved on the basis of those laws, missing at the credit organization? If “No”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>9.3. Is the organization ready to provide additional financial support in case of worsening of financial conditions of the credit organization (drastic decrease of capital, occurrence of liquidity problems, big losses, emergency situation)? If “Other”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/> Other <input type="checkbox"/></p>			
<p>9.4. Are there any changes, offered by you, in the economic program, submitted to the Central Bank by the credit organization? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>9.5. Any other information that you consider important.</p>			
<p>10. <i>I assure that</i> a) <i>the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.</i> b) <i>the grounds, prescribed by Article 10 of the Law of the Republic of Armenia “On credit organizations” are missing.</i> <i>I agree to notify the Central Bank in case of any change in the information provided above by me, within 10 working days.</i></p> <p>Name and surname of director _____</p> <p>Signature _____ Date _____ day/month/year</p>			

PART II

Filled by the credit organization

1. We would like to ask for the prior consent of the Central Bank on acquisition of significant participation in the statutory capital of _____ credit organization
(name of the credit organization)

by _____
(name of the legal person, intending to acquire the significant participation)

2. We assure that the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the credit organization for the acquisition of participation (share) in the statutory capital of _____ credit organization have been met.
(name of the credit organization)

(This point does not apply on the cases of receiving the shares of the credit organization by donation)

**Name and surname of the Chairman
of the Board or executive director or
chairman of the executive board (if they
are authorized by the Charter of the credit
organization or by the General meeting) of
the credit organization** _____

Signature _____

Date _____
(day, month, year)

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

STATEMENT ON LEGAL PERSONS, AFFILIATED WITH THE PERSON, ACQUIRING SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE CREDIT ORGANIZATION

1. Significant participant			
1.1.	Name (name, surname) _____		
1.2.	The name of the organization, where the participant intends to acquire a significant participation _____		
2. Information on the affiliated legal person (organization)			
2.1.	Name _____		
2.2.	Location _____		
2.3.	Date of registration _____ (day/month/year)	Place _____	Number _____
3. Information on significant participants of the affiliated legal person (<i>The Central Bank may additionally require the financial statements of the organizations, mentioned in point 3.1</i>)			
3.1. Legal persons, having 10 and more percent of voting shares:			
Name of the organization	Location	Amount of participation (in Drams)	Participation (%)
3.2. Natural persons, having 10 and more percent of voting shares:			
Name, surname, passport data	Place of residency	Amount of participation (in Drams)	Participation (%)
4. Information on the managers (Chairman and members of the Board, executive director and chief accountant) of the affiliated legal person			
Name, surname, passport data	Position	Years worked in organization (of which, in current position)	
1.			

2.			
3.			
5. Other information			
<p>5.1. Does the affiliated legal person have liabilities overdue for 30 days and more? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>5.2. Are the grounds, defined by part 2 of Article 10 of the Law of the Republic of Armenia “On credit organizations” and the normative legal acts, approved on the basis of those laws, missing at the credit organization? If “No”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>			
<p>5.3. Any other information that you consider important.</p>			
<p>6. <i>I assure that the information contained in this document is true and complete. I realize that presenting any false document or information will result in criminal and administrative liability prescribed by law.</i> <i>I agree to notify the Central Bank in case of any change in the information provided above by me.</i></p> <p>Name, surname of the person, authorized by the competent management body of the credit organization _____</p> <p>Signature _____ Date _____ (day/month/year)</p>			

Appendix 20

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

STATEMENT ON NATURAL PERSONS, AFFILIATED WITH THE PERSON, ACQUIRING SIGNIFICANT PARTICIPATION IN THE STATUTORY CAPITAL OF THE CREDIT ORGANIZATION

1. Significant participant
<p>1.1. Name (name, surname) _____</p> <p>1.2. The name of the organization, where the participant intends to acquire a significant participation _____</p>
<p>2. Information on the affiliated natural person <i>The affiliation should be considered in accordance with Article 11 of the Law of the Republic of Armenia “On credit organization”. For the natural person the affiliated parties are the father, mother, spouse and adult children.</i></p>
<p>2.1. Name, surname _____</p> <p>2.2. Place of residency _____</p> <p>2.3. Passport date _____</p> <p>2.4. Type of affiliation _____</p>
3. Other information
<p>3.1. Does the natural person have liabilities overdue for 30 days and more? If “yes”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>3.2. Are the grounds, defined by part 2 of Article 10 of the Law of the Republic of Armenia “On credit organizations” and the normative legal acts, approved on the basis of those laws, missing at the person? If “No”, please provide details. Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>3.3. Any other information that you consider important.</p>

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

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

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

Signature _____ Date _____
(day/month/year)

Appendix 21

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

STATEMENT
on acquisition of significant participation in the statutory capital of the credit organization by a foreign state

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

Dear Mr. _____

We would like to ask for the consent of the Central Bank on acquisition of significant participation in the statutory capital of _____ credit organization
(name of the credit organization)
by _____.
(name of the state)

PART 1

Filled by the person, authorized to represent the state, intending to acquire the significant participation
in the statutory capital of the credit organization

1. Are there any changes, offered by you, in the economic program, submitted to the Central Bank by the credit organization? Yes No
If “yes”, please provide details.

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

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

Name and surname of the head of the body,
authorized to represent the state _____

Signature _____ Date _____
day/month/year

PART II

Filled by the credit organization

1. We would like to ask for the prior consent of the Central Bank on acquisition of significant participation in the statutory capital of _____ credit organization
(name of the credit organization)
by _____.
(name of the state)

2. We assure that the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the credit organization for the acquisition of participation (share) in the statutory capital of _____ credit organization have been met.
(name of the credit organization)

(This point does not apply on the cases of receiving the shares of the credit organization by donation)

**Name and surname of the Chairman
of the Board or executive director or
chairman of the executive board (if they
are authorized by the Charter of the credit
organization or by the General meeting) of
the credit organization** _____

Signature _____

Date _____
(day, month, year)

Appendix 22
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

STATEMENT
on acquisition of significant participation in the statutory capital of the credit organization by a natural person

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

Dear Mr. _____

I, _____, would like to ask for the consent of the Central Bank on acquisition of significant participation in the statutory capital of _____ credit organization
(name of the credit organization)

PART 1

Filled by the natural person, intending to acquire the significant participation in the statutory capital of the credit organization

Please attach
your photo
here

1. Information on the natural person

1.1. Name, surname, middle name _____

1.2. Sex _____

1.3. Date of birth _____
(day/month/year)

1.4. Place of birth _____

1.5. Nationality _____

1.6. Passport data _____

Social services number _____

1.7. Place of residency

Address of registration _____

Address of the place of residency _____

1.8. Phone number _____

1.9. E-mail address _____

1.10. Indicate all the names, surnames, middle names, that you had in the past, and their periods

Name, surname, middle name	Period	
	Beginning of the period (day/month/year)	End of the period (day/month/year)

2. Education, qualification, working experience

2.1. Name of the education institution, name of the international qualification	Location of the university	Period of studying at the university (from _____ to _____)	Faculty	Profession	Academic degree or level of international qualification
1.					
2.					
3.					
4.					

2.2. How many foreign languages do you know?

Armenian

English

Russian

Other (please, mention the language) _____

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

Time periods of	Name of the organization	Area of activity of the	Location	Phone number	Position, main responsibilities	Time periods of	The name of the
-----------------	--------------------------	-------------------------	----------	--------------	---------------------------------	-----------------	-----------------

b) Place of residency/address _____

c) Amount of loan/borrowing _____

d) Collateral _____

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

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

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

Name of the seller/transferor	Number of shares to be sold/transferred	Amount of shares/participation to be sold/transferred (%)
1.		
2.		
3.		
4.		

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

6. Information on participation in the statutory capital of other persons.

6.1. For participation in 10 and more percent of voting shares:

Name of the organization	Place of residency	Amount of participation (in drams)	Participation (in %)
1.			
2.			
3.			
4.			

Appendix 19 of this Regulation should be filled for the persons, mentioned in this point

6.2. For other participation:

Name of the organization	Place of residency	Amount of participation (in drams)	Participation (in %)
1.			

2.				
3.				

7. Information on affiliated parties
The affiliation should be considered in accordance with Article 11 of the Law of the Republic of Armenia “On credit organizations”

Name of organization; or name, surname, passport data, social services number of the person	Place of residency	Type of affiliation
1.		
2.		
3.		

8. Other information

8.1. Do you (or parties, affiliated with you) have or have had liabilities overdue for 30 days and more? Yes No
 If “yes”, please provide details (sum, term, etc.).

8.2. Do you (or parties, affiliated with you) have any cash or other liabilities towards the financial organization in whose statutory capital you are going to acquire a significant participation? Yes No
 If “yes”, please provide details (sum, term, etc.).

8.3. Are the grounds, defined by part 2 of Article 10 of the Law of the Republic of Armenia “On credit organizations”, and the Law of the Republic of Armenia “On Anti-Money Laundering and Combating the Financing of Terrorism” and the normative legal acts, approved on the basis of those laws, missing? Yes No
 If “No”, please provide details.

8.4. Are you ready to provide additional financial support in case of worsening of financial conditions of the credit organization (drastic decrease of capital, occurrence of liquidity problems, big losses, emergency situation)? Yes No Other
 If “Other”, please provide details.

8.5. Are there any changes, offered by you, in the economic program, submitted to the Central Bank by the credit organization? Yes No
 If “yes”, please provide details.

8.6. Any other information that you consider important.

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

b) the grounds, prescribed by Article 10 of the Law of the Republic of Armenia “On credit organizations” are missing.

I agree to notify the Central Bank in case of any change in the information provided above by me, within 10 working days.

Name, surname _____

Signature _____ Date _____
(day/month/year)

PART II

Filled by the credit organization

1. We would like to ask for the prior consent of the Central Bank on acquisition of significant participation in the statutory capital of _____ credit organization
(name of the credit organization)

by _____.
(name, surname of the natural person, intending to acquire the significant participation)

2. We assure that the rules, prescribed by the law and other legal acts on application of the preferential right of the participant of the credit organization for the acquisition of participation (share) in the statutory capital of _____ credit organization have been met.
(name of the credit organization)

(This point does not apply on the cases of receiving the shares of the credit organization by donation)

Name and surname of the Chairman of the Board or executive director or chairman of the executive board (if they are authorized by the Charter of the credit organization or by the General meeting) of the credit organization _____

Signature _____ Date _____
(day, month, year)

LIST OF INTERNATIONAL FINANCIAL ORGANIZATIONS

1. Asian Development Bank
2. Bank of International Settlements
3. Black Sea Trade and Development Bank
4. Caribbean Development Bank
5. Central American Bank of Economic Integration
6. Corporation Andina de Fomento
7. European Bank for Reconstruction and Development
8. European Commission
9. European Investment Bank
10. Inter-American Development Bank
11. International Monetary Fund
12. Islamic Development Bank
13. Nordic Development Fund
14. Nordic Investment Bank
15. OPEC Fund for International Development
16. Organization for Economic Co-operation and Development
17. Organization of Petroleum-Exporting Countries
18. World Bank Group
 - 1) International Bank for Reconstruction and Development
 - 2) International Development Association
 - 3) International Finance Corporation
 - 4) Multinational Investment Guarantee Agency
 - 5) International Centre for Settlement of Investment Disputes
19. Kreditanstalt für Wiederaufbau (KfW)
20. Financial organizations of OECD member-countries

Appendix 24

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

Regulation 13

LIST OF TOPICS OF QUALIFICATION EXAMINATIONS OF THE MANAGERS OF THE CREDIT ORGANIZATION

Areas of knowledge and skills	Executive director, chairman of the executive board, deputy executive director, deputy chairman of the executive board, member of directorship, member of the executive board of the credit organization	Chief accountant, deputy chief account, head of the oversight committee, deputy head of the oversight committee, member of the oversight committee of the credit organization	Board members of the credit organization
1. Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”			
1) The main objective and other objectives of the Central Bank	+	+	+
2) Examinations and supervision, executed by the Central Bank	+	+	+
2. Law of the Republic of Armenia “On credit organizations” and normative acts of the Central Bank: Regulations 13, 14, 15			
1) Definition of credit organization and its activity	+	+	+
2) Legal-organizational forms of credit organization	+	+	+
3) Limitations on activities of credit organization	+	+	+
4) Types of credit organizations	+	+	+
5) Registration and licensing of credit organization	+	+	+
6) Grounds for repudiation of registration and licensing of credit organization	+	+	+
7) Regulation on business activity of the credit organization	+	+	+
8) License of credit organization	+	+	-
9) Registration of branches and representative offices of credit organization	+	+	-

10) Grounds for repudiation of registration of branches and representative offices of credit organization	+	+	-
11) Financial operations, permitted to credit organizations and their individual groups	+	+	+
12) Financial operations permitted to saving unions	-	-	+
13) Credit transactions, executed by credit organization, description of transactions of providing business and consumer credits and loans	+	+	-
14) Managers of credit organization, their professional qualification and procedure of qualification	+	+	+
15) Requirements on the Charter of credit organizations, validation of amendments in the Charter	+	-	-
16) The procedure of acquisition of significant participation in the statutory capital of the credit organization	+	+	-
17) Restraints on acquisition of significant participation in the statutory capital of the credit organization	+	+	-
18) Affiliated and related parties	+	+	
19) Procedure of replenishment of statutory capital of credit organization	+	+	-
20) Main prudential standards, set for credit organizations, their validation, thresholds, procedure of calculation and the elements within the calculation	+	+	+
21) Main prudential standards, set for saving unions, their validation, thresholds, procedure of calculation and the elements within the calculation	-	-	+
22) Supervision over the activities of credit organization	+	+	+
23) Prevention of money laundering and circulation of funds, considered as source of financing of terrorism, in credit organizations	+	+	-
24) Audit examination of credit organization	+	+	+
25) Disclosure of financial statements and the auditor's opinion	+	+	+
26) Infringements of legislation and the sanctions imposed against them	+	+	+
27) Requirements on facility and technical equipment of credit organizations and their branches	+	-	-
28) Opening banking accounts in banks by credit organizations	+	+	-
29) Financial statements, submitted to the Central Bank by credit organizations, procedure of their submission, deadline of submission	+	+	-
30) Disclosure of information about the activity of the credit organization	+	+	+
3. The Law of the Republic of Armenia "On bankruptcy of banks, credit organizations, investment companies and insurance companies"			
1) Grounds of insolvency and bankruptcy of credit organizations	+	+	+
2) Issues of temporary administration of credit organizations	+	+	-

4. The Law of the Republic of Armenia “On Bank Secrecy”			
1) Bank secrecy	+	+	+
2) Disclosure of information, containing bank secrecy, its prohibition and provision	+	+	+
3) Circulation of bank secrecy among banks and credit organizations	+	+	-
5. Procedure on classification of loans and receivables, formation of loan loss reserves			
1) Classification of assets	+	+	-
2) General and special reserves	+	+	-
3) Non-performing assets, suspension of interest accrual, unrealized interest income	+	+	
4) Unsecured (blank) assets	+	+	-
5) Capitalization of interests, assets with revised terms, refinanced assets	+	+	-
6) Writing off of assets and interests booked in memorandum accounts	+	+	-
6. Procedure of formation and use of loss reserves on investments in investment securities			
1) Formation of loss reserves on investment securities	+	+	-
2) Classification of term investment securities	+	+	-
3) Writing off of investment securities	+	+	-
4) Use of loss reserves on investments in investment securities	+	+	-
7. Other			
1) Peculiarities of combating money laundering and financing of terrorism in credit organizations, suspension and discontinuation of suspicious transactions	+	+	+
2) Currency control and supervision in the Republic of Armenia (residency, non-residency, currency operations on current and capital accounts)	+	+	-
3) Financial coefficients	+	+	+
4) Indicators of profitability and yield of credit organizations	+	+	
5) Provision of information to the Credit registry, its use and safekeeping	+	+	+
6) Methods of assessment of financial risks	+	-	-
7) Case studies (for example, profitability of bonds, liquidity gap)	+	-	-
8) Civil Code (definition of credit contract, types of securities, concept and content of property right, financial leasing, factoring)	+	+	+
9) Derivative instruments	+	+	-
10) Assets and liabilities management, financial operations (separation of debit transactions from credit operations)	+	+	-
8. Accounting and taxes			
1) Regulation on accounting	+	+	+
2) Organization and execution of accounting	+	+	-

3) Principles of accounting and preparation of financial statements	-	+	-
4) Financial statements and their elements	+	+	+
5) Recognition and measurement of the elements of financial statements	-	+	-
6) International standards of accounting	-	+	-
7) Accounting of operations, conducted by credit organizations	-	+	+
8) Accounting of operations, conducted by saving unions	-	+	-
9) Initial documents of accounting	-	+	-
10) Reporting period	-	+	-
11) Rights and responsibilities of the chief accountant	-	+	-
12) Accounting and revaluation of fixed assets and amortization	-	+	-
13) Inventory of assets and liabilities	-	+	-
14) Assessment of assets and liabilities	-	+	-
15) Rights and responsibilities of taxpayers	+	+	+
16) Types of tax benefits, benefits of VAT for credit organizations operating within the territory of the Republic of Armenia	+	+	-
17) Procedure of calculation, rates and payments of profit tax income tax as a tax agent, property tax and land tax	+	+	-
18) Procedure of the refund of the tax paid to the budget by the taxpayers	+	+	-
19) Responsibility of credit organizations for infringements of tax legislation	+	+	+
20) The elements, considered as income and expense, pursuant to the Law of the Republic of Armenia "On profit tax"	-	+	-
21) Assets of credit organizations, subject to property tax taxation	-	+	-
22) Social insurance contributions	-	+	-
9. Monetary policy			
1) Objective and tools of monetary policy	+	-	-
2) System of national accounts	+	-	-
3) The main macroeconomic indicators of previous years	+	-	-
4) Real and nominal FX rates	+	-	-
5) Consumer price index	+	-	-
6) Monetary base and broad money	+	-	-
7) Balance of payments	+	-	-
10. The Law of the Republic of Armenia "On joint-stock companies"			
1) Management bodies of a credit organization having the status of a joint-stock company	+	+	-
2) Rights and responsibilities of the General meeting, the Board, the executive body and the oversight committee; and the interrelations among them	+	+	-
11. The Law of the Republic of Armenia "On companies with limited liabilities"			
1) The executive body of companies with limited liabilities and	+	+	-

its authorities			
2) Rights and responsibilities of the General meeting, the Board and the oversight committee; the interrelation among them	+	+	-
12. The Law of the Republic of Armenia “On consumer credits”, in accordance with the following chapters			
1) General provisions	+	-	-
2) Credit agreements	+	-	-
3) Consumer rights	+	-	-
4) Calculation of annual percentage rate	+	+	-
5) Advertisement and correspondence	+	-	-
6) Protection of consumer rights, supervision and liability for law infractions	+	-	-
13. The Law of the Republic of Armenia “On financial system mediator”, in accordance with the following chapters			
1) General provisions	+	-	+
2) Claims and procedure of their examination	+	-	-
3) Responsibility of organization for infringement of provision of the law	+	-	-

Appendix 25

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

**APPLICATION
TO APPEAL THE RESULTS OF THE QUALIFICATION EXAMINATION**

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

Dear Mr. _____

I, _____, have participated in the qualification
(name, surname, social services number and passport data)
examination, provided for the position of _____ on _____.
(name of the position) (day/month/year of the examination)

(description of the problematic question, reason to appeal)

Applicant _____

(phone number, e-mail address)

(signature)

“ _____ ” _____ 20____

Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

FORM OF THE QUALIFICATION CERTIFICATE OF THE MANAGER OF THE CREDIT ORGANIZATION

CERTIFICATE No _____

This certificate is given to

Name, surname

(social services number, or in absence – passport data)

to work in the position (positions) of _____

(name of position or positions)

of a credit organization

This certificate is valid through “ ___ ” _____ 20 ____

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

« ___ » _____ 20 ____

Appendix 27
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

FORM OF THE QUALIFICATION CERTIFICATE OF THE MANAGER OF THE CREDIT ORGANIZATION

FRONT SIDE

C E R T I F I C A T E N o _____

This certificate is given to

Name, surname

(social services number, or in absence – passport data)

to work in the position (positions) of _____

(name of position or positions)

of a credit organization

_____ is being the basis for providing the certificate.
(qualification, diploma or certificate)

This certificate is valid until the end of validity of the qualification, diploma or certificate.

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

« ____ » _____ 20____

REVERSE SIDE

This certificate will be revoked, if the qualification, diploma or certificate, which served as the basis for granting the qualification certificate, becomes invalid.

This certificate will be revoked, if the person has conducted such an action or inaction, as a result of which the rules of granting and (or) keeping of the qualification, diploma or certificate have been violated.

This certificate will be revoked, if as a result of respective changes, the given qualification, diploma or certificate is no more considered as a basis for granting of the certificate.

(Appendix 27 was amended by decision No 363-N on 16.12.14)

Appendix 28

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

Regulation 13

THE TYPES OF PROCEDURES OF REGISTRATION OF THE MANAGERS OF CREDIT ORGANIZATION

N/N	Managers of credit organizations	Procedure
1.	Chairman of the Board	C
2.	Members of the Board	C
3.	Deputy Chairman of the Board	C
4.	Executive director	C
5.	Deputy executive director	C
6.	Chairman of directorship (executive board)	C
7.	Deputy chairman of directorship (executive board)	C
8.	Member of directorship (executive board)	C
9.	Chief accountant	C
10.	Deputy chief accountant	C
11.	Chairman of the oversight committee	C
12.	Deputy chairman of the oversight committee	S
13	Member of the oversight committee	S

Appendix 29
Of “Procedures of Licensing, Registration, Giving Consent and Permission, Appraisal of the Professional Adequacy and Qualification in the Area of Activity of Credit Organizations”
Regulation 13

COVER-PAGE OF THE AMENDMENT OF THE CHARTER OF CREDIT ORGANIZATION

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

(Appendix 29 was amended by decision No 363-N on 16.12.14)