

“Registered”

By the Ministry of Justice

February 29, 2008 State registration number: 05008061

**Central Bank of the Republic of Armenia**

Board Resolution 15-N

Adopted January 15, 2008

**ON APPROVAL OF REGULATION 4/05 ON “THE QUALIFICATION OF MANAGERS OF PERSONS PROVIDING INVESTMENT SERVICES, THE OPERATOR AND THE CENTRAL DEPOSITARY AND NATURAL PERSONS PROVIDING INVESTMENT SERVICES, THEIR PROFESSIONAL COMPLIANCE CRITERIA AND THE LIST OF TOPICS FOR QUALIFICATION TEST”**

By the virtue of the Law of the Republic of Armenia “On legal acts” article 16 parts 1, 3 and 4, Law of the Republic of Armenia “On securities market” article 50 part 2, article 114 part 3 point 2 and article 179 part 1 point 2 and Law of the Republic of Armenia “On Central Bank of the Republic of Armenia” article 20, point “e”, the Board of the Central Bank of Armenia *decides*.

1. To approve regulation 4/05 on “The qualification of managers of persons providing investment services, the operator and the central depositary and natural persons providing investment services, their professional compliance criteria and the list of topics for qualification test” pursuant to Appendix (hereinafter: Regulation 4/05).
2. This resolution shall enter into force 10 days after the publication.

3. The 15th section and the form 58.1-3 (a) of the Central Bank of Armenia Board resolution number 713-N “On approval of statute of the regulation of the securities market” adopted in December 5, 2006.

**Governor of the Central Bank of Armenia**

**T. Sargsyan**

January 23, 2008

Yerevan

Appendix

Central Bank of the Republic of Armenia

Board Resolution 15-N

Adopted January 15, 2008

**REGULATION 4/05 ON “THE QUALIFICATION OF MANAGERS OF PERSONS PROVIDING INVESTMENT SERVICES, THE OPERATOR AND THE CENTRAL DEPOSITARY AND NATURAL PERSONS PROVIDING INVESTMENT SERVICES, THEIR PROFESSIONAL COMPLIANCE CRITERIA AND THE LIST OF TOPICS FOR QUALIFICATION TEST”**

**SECTION I**

**GENERAL PROVISIONS AND MAIN DEFINITIONS**

**CHAPTER 1**

**THE SCOPE**

1. This regulation defines the procedures for qualification, professional compliance test and qualification of managers of persons providing investment services, the operator and the central depository and natural persons providing investment services, the list of the topics for test of qualifications as well as regulates relations related to these issues entitled to the competence of the Central Bank of Armenia.  
**(1<sup>st</sup> point changed 01.07.08 number 191-N)**
2. This regulation shall apply to the persons providing investment services, the operator and the Central Depository established or operating in the territory of the Republic of Armenia.
3. The documents required by this regulation should be submitted to the Central Bank in Armenian and in a typed form by an ordered letter or shall be entered to the Central Bank. The copies of the submitted documents should be signed by a competent person representing the person providing investment services and be submitted with a note “is the same with the original”. An exemption from this should be the documents that should be submitted in an electronic manner by the CBA-net system.  
**(3<sup>rd</sup> point completed 10.03.09 number 58-N)**
- 3.1. The documents required by this regulation can be submitted to the Central Bank in an electronic manner by the CBA-net system.  
**(3.1 point completed 01.12.09 number 354-N)**
4. The following persons defined in parts 2 and 3 of article 50, part 1 of article 58, parts 3 and 4 of article 114, part 1 of article 179 of the Law of the Republic of Armenia “On securities market” and in the cases of outsourcing of functions of those persons a person or persons who have a liability for the execution of outsourced functions (hereinafter a qualifying person) must have a qualification received by the procedure defined by this regulation.
  - 1) The chairman and the members of the board of directors (observing council) of the investment firm , the executive director and the members of the executive body, the deputy executive director, the chief accountant and deputy chief accountant, the head and members of internal audit,
  - 2) The chairman and the members of the board of directors (observing council) of the foreign investment firm, the executive director and the members of the executive body, the deputy executing director, the chief accountant and deputy chief accountant, the head and members of internal audit,
  - 3) A natural person acting in the part or in the name of the person providing investment services or suggesting to provide similar services,
  - 4) The head of the division responsible for provision of investment services by banks and credit organizations,

- 5) The chairman and the members of the observing council of the operator, the executive director and the members of the executive body, the deputy executive director, the head and members of the supervision service, the chairman of the discipline-related committee and the head and members of other similar bodies,
  - 6) The chairman and the members of the observing council of the central depository, the executive director and the members of the executive body, the deputy executive director, the head and members of the oversight committee and the head and members of other similar bodies,
  - 7) **(point 4 completed 01.07.08 number 191-N, 01.12.09 number 354-N)**
5. Persons defined by the points 2 and 3 of article 50, part 1 of article 58, parts 3 and 4 of article 114, part 1 of article 179 of the Law of the Republic of Armenia “On securities market” do not take the qualification exam defined by this regulation.
- 1) The heads of the structural divisions (departments, division, group or other body) of the person providing investment services,
  - 2) The head of the representation of the investment firm,
  - 3) The chairman of the board of the bank, its deputy and board members, the executive director, its deputies (except when the executive director or its deputy are considered as the head of the department responsible for provision of investment services), the chief accountant and its deputy, the head of internal audit and its members, the members of the management of the bank, as well as employees related to the main activities of the bank or working in the direct administration of the executive director or having any influence in decision making issues by the management bodies of the bank in the opinion of the Central Bank and certified according to the criteria defined by the board of the Central Bank. Persons defined in this point are being qualified according to the decision of the Board of the Central Bank of the Republic of Armenia of April 12, 2005 number 145-N “On approval of regulation 1” On registration and licensing of banks and branches of foreign banks, registration of branches and representations of banks, qualification and registration of managers of banks and branches of foreign banks”.
  - 4) The chairman of the board (board of directors or observing council) of the credit organization, its deputy and the board members, the executive director, its deputy (except when the executive director or its deputy are considered as the head of the department responsible for provision of investment services), the chairman of the directorate, its deputy, the members of the directorate, the chief accountant, its deputy, the chairman of the oversight committee, its deputy and the oversight committee members. Persons defined by this sub-point are qualified according to the decision of the Board of the Central Bank of the Republic of Armenia of December 23, 2005 number 578-N “On approval of regulation 13” On registration

and licensing of credit organization, registration of branches and representations of the credit organizations, acquisition of approval of major participation in the charter capital of the credit organization, the qualification procedure for the managers of credit organizations, the regulation of the activities of the credit organization, the operation venue of the credit organization and technical equipment requirements”.

6. Qualifying persons defined in point 4 of this regulation are registered in the Central Bank by the solicitation of the operator or the Central Depository according to the procedure defined in chapter 12 of this regulation for the purpose of working in the position of a manager or investment service provider or of a person acting with a proposal of provision of similar investment services,
7. The professional compliance criteria mentioned in point 2 of the article 50 of the Law of the Republic of Armenia “On securities market” is defined in the chapter 13 of this regulation.

## **CHAPTER 2**

### **DEFINITIONS APPLICABLE TO THIS REGULATION**

8. The following definitions are applicable to this regulation:
  - 1) “**Central Bank**” means the Central Bank of the Republic of Armenia,
  - 2) “**qualifying person**” means persons mentioned in point 4 of this regulation,
  - 3) “**a committee**” means The licensing and supervision committee of the Central Bank,
  - 4) “**candidate**” means a person that applies for the qualification and professional compliance test,
  - 5) “**territorial division of the investment firm**” means a branch or a representation of an investment firm.

**(point 8 edited 01.12.09 number 354-N)**

9. Other definitions used in this regulation have the meaning used in the Law of the Republic of Armenia “On securities market”.

## **SECTION II**

### **PROFESSIONAL COMPLIANCE CRITERIA FOR MANAGERS AND QUALIFICATION PROCEDURE**

## **CHAPTER 3**

### **THE FORM FOR THE QUALIFICATION TEST**

10. The qualification and the professional compliance test for the candidates is organized in the Central Bank by the means of a written exam (hereinafter: exam) or an oral exam (hereinafter: interview).

**(point 10 edited 01.12.09 number 354-N)**

11. For the purposes of qualification and professional compliance exam the candidates applying for the positions mentioned below for the purpose of working as a manager are:
- 1) The head of the executive body of an investment firm and its members, the deputy executive director, the chief accountant and its deputy, the head of the internal audit and its members, the manager of the branch,
  - 2) The head of the executive body of a branch of foreign investment firm and its members, the deputy executive director, the chief accountant and its deputy, the head of the internal audit and members,
  - 3) A natural person acting in the staff or on the name of the investment service provider,
  - 4) The head of a department responsible for the provision of investment services by banks and credit organizations,
  - 5) The head of the executive body of the operator and its members, the deputy executive director, the head of the supervisory service and its member, the chairman of the oversight committee or similar other body,
  - 6) The head of the executive body of the Central Depository and its members, the deputy executive director, the head of the oversight committee or similar other body and its member.

**(point 11 edited 01.12.09 number 354-N)**

12. Persons that pass an interview for qualification test in the course of the Central Bank Board session are the following :

- 1) The chairman of the board of directors (observing council) of an investment firm and its members,
  - 2) The chairman of the board of directors (observing council) of a branch of a foreign investment firm and its members,
  - 3) The chairman of observing council of an operator and its members,
  - 4) The chairman of observing council of a Central Depository and its members,
  - 5) A member of the executive body of the operator and Central Depository if he or she has working experience of at least 3 years in a managing position in an operator or Central Depository having international authority within recent 5 years.
13. The exam is held by the Test service of the Central Bank or by other organization according to the decision of the Governor of the Central Bank.

**(point 13 edited 01.12.09 number 354-N)**

13.1 In cases when the exams are held by other organization according to the decision of the Governor of the Central Bank the procedure of drafting of the exam tests, provision of

their amendments and additions, setting of the candidate queue for participation in the exams, accepting the documents, holding the exams, summing up the exam results, their appeal as well as the submission of necessary documents to the Central Bank is defined by the certain organization and approved by the Central Bank.

**(point 13.1 completed 01.12.09 number 354-N)**

**14. (point 14 repealed 01.07.08 number 191-N)**

## **CHAPTER 4**

### **THE PROCEDURE FOR PARTICIPATION IN THE QUALIFICATION TEST**

**(The headline edited 01.12.09 number 354-N)**

15. The candidates who want to take an exam must be registered beforehand. The candidates can be registered by completing data in the relevant website of the Central Bank or by telephone.

1) For the purpose of registration certain dates for exams for each quarter are defined information on which is published in the website of the Central Bank before the 10<sup>th</sup> date of the month following the first month of the certain quarter.

2) The candidates can be registered by telephone number defined in the website of the Central Bank on any day and any hour leaving a certain message on the following information.

a) name, surname,

b) qualification type,

c) month, day, hour for participation in the exam according to the published list (if any),

d) telephone number:

**3) (sub-point 3 repealed 01.07.08 number 191-N )**

4) If it is impossible to hold an exam on the date and (or) hour mentioned by the candidate or if the candidate hasn't mentioned a day and (or) hour for the participation in the exam the employee of the testing center notifies the candidate of the possible first day and (or) hour for holding an exam in three working days following the date of his registration.

**(point 15 changed 01.07.08 number 191-N, edited 01.12.09 number 354-N)**

15.1 The candidates participate in the exam submitting the following documents on the date of the exam:

1) a passport or other document certifying the identity of the person or its copy,

2) a copy of a document certifying the payment of state fee.

**(point 15.1 completed 01.12.09 number 354-N)**

16. The candidates mentioned in point 12 of this regulation submit documents defined in point 50 of this regulation to the Central Bank for participation in the interview.

**(point 16 edited 01.12.09 number 354-N)**

16.1 The interview is held within 15 working days after submitting the documents notifying the candidate about the day of holding an interview at least a day before the interview.

**(point 16.1 completed 01.12.09 number 354-N)**

## CHAPTER 5

### A PERMISSION OF PARTICIPATION IN THE QUALIFICATION TEST

**(The chapter repealed 01.12.09 number 354-N)**

**17. (point 17 repealed 01.12.09 number 354-N)**

**18. (point 18 repealed 01.07.08 number 191-N)**

**19. (point 19 repealed 01.12.09 number 354-N)**

## CHAPTER 6

### THE PROVISION OF WRITTEN (TEST) EXAM

20. The exam is held by a computer program in a test manner.

**(point 20 edited 01.12.09 number 354 N)**

21. Test is a document including questions that is prepared according to the list of topics defined in chapter 16 of this regulation.

22. The tests as well as additions and changes in them are approved by the decision of the governor of the Central Bank and are not published. The tests are reviewed by necessity.

**(point 22 completed, changed 01.07.08 number 191-N)**

23. The tests and the number of questions in them are differentiated according to the candidates taking the exam (taking into consideration the professional compliance criteria required for them) into the following groups.

Qualifying person	The number of questions
<b>1. A manager of an investment firm, including:</b>	
1.1 a head of executive body, a member of executive body, a deputy executive director,	100 questions
1.2 a chief accountant, a deputy chief accountant	
1.3 a head of internal audit, a member of internal audit,	
1.4 a manager of a branch,	80 questions
<b>2. A manager of a foreign investment firm branch, including:</b>	
2.1 a head of an executive body, a member of an executive body, a	100 questions



deputy executive director , 2.2 a head of internal audit, a member of internal audit, 2.3 a chief accountant, a deputy chief accountant	
<b>3. A manager of an operator, including:</b>	
3.1 A head of executive body, a member of executive body, a deputy executive director or a head of other similar body, 3.2 a head and a member of a supervisory service or other similar body, 3.3 a chairman of disciplinary committee or other similar body	100 questions
<b>4. A manager of a Central depository, including:</b>	
4.1 a head of an executive body, a member of an executive body, a deputy executive director or a head of a similar body, 4.2 a head and a member of an oversight committee or other similar body	100 questions
<b>5. A natural person acting in the staff or in the name of a person providing investment services</b>	40 questions
<b>6. A head of a department responsible for provision of investment services by the banks and credit institutions</b>	100 questions

**(point 23 changed 01.07.08 number 191-N, 01.12.09 number 354-N)**

24. A candidate is provided 1,5 minutes in average to answer each question of the test.
25. Each of all questions of the test contains from 3 to 4 answers only one of which is definitely proper and full.
26. A definitely proper and full answer to a question of a test is valued one point and a wrong answer as well as no answer to a question is valued zero points. Mentioning definitely wrong and indefinitely proper and full answer or mentioning more than one answers or mentioning no answer are considered as wrong answers.
27. A candidate is permitted to take part in the test exam in a case of submission of a passport or other document verifying the identity of a person.
28. A participation of a translator is permitted in a case of provision of exam for candidates that don't know Armenian language, moreover a participation of a relevant employee of Central Bank is mandatory. The exam duration for candidates of manager positions that don't know Armenian language can be prolonged by the approval of the head of the Legal department of the Central Bank.  
**(point 28 changed 01.07.08 number 191-N, edited 01.12.09 number 354-N)**
29. The exam is held in a separate room which is reviewed by cameras.  
**(point 29 edited 01.12.09 number 354-N)**
30. The candidate is permitted to enter the exam room by a submission of a passport or a document verifying the identity of the person and is seated according to the list at the relevant computer. The duration of the exam for late candidates is not prolonged.  
**(point 30 edited 01.12.09 number 354-N)**
31. The candidates are given some instructions regarding the technical issues of the provision of the exam.

**(point 31 edited 01.12.09 number 354-N)**

32. After the announcement of the start of the exam the candidate gets acquainted with the tasks and chooses one (in his opinion the most proper one) of the supposed answers to each question (issue).

**(point 32 edited 01.12.09 number 354-N)**

33. The candidate is prohibited to use typed, mechanical, handwritten materials, electronic devices (except electronic calculators provided by the Central Bank), as well as to make noise, speak, prompt, ask questions to the present people, leave the room. If the candidate wants to leave the room his work is considered stopped. In a case of not meeting any of the mentioned requirements the candidate loses the right to participate in the further process and is considered as having a negative result.

**(point 33 edited 01.12.09 number 354-N)**

**34. (point 34 repealed 01.12.09 number 354-N)**

35. The candidate is given a report on test results he has taken after the end of the work and expiry of the time set for completing the tasks (two examples), where the points of the candidates are presented by percentage expression. The reports are signed by the candidate, one example stays with the Central Bank, the other one is provided to the candidate.

**(point 35 edited 01.12.09 number 354-N)**

## **CHAPTER 7 TEST EVALUATION AND RESULTS**

36. The evaluation of the test questions is executed in the following way.

- 1) The candidate is considered having negative result if he has got until 70 percent of the maximum number of the points,
- 2) The candidate is considered having positive result if he has got 70 and more percent of the maximum number of the points, and he obtains a qualification certificate.

**(point 36 edited 01.12.09 number 354-N)**

37. The candidates having negative results can apply for participation in the exam again to get a relevant qualification certificate.

**(point 37 edited 01.12.09 number 354-N)**

38. The results for the answers to the test questions (according to the computer data) are approved by the committee.

**(point 38 edited 01.12.09 number 354-N)**

## **CHAPTER 8 INTERVIEW**

39. The knowledge of the candidates applying to participate in the positions mentioned in point 12 of this regulation as a manager is checked in the scope of topics defined in the chapter 16 of this regulation.

**(point 39 edited 01.12.09 number 354-N)**

39.1 The Board of the Central Bank adopts a decision on the results of the interview on the compliance or non-compliance for the candidates defined in point 12 of this regulation to the criteria defined by the Central Bank.

**(point 39.1 completed 01.12.09 number 354-N)**

39.2 If the Board of the Central Bank adopts a decision on compliance of the candidates to the positions mentioned in point 12 of this regulation persons defined in point 12 of this regulation are considered having received a qualification.

**(point 39.2 completed 01.12.09 number 354-N)**

## **CHAPTER 9**

### **THE APPEAL OF THE WRITTEN EXAM**

40. Candidates can appeal the results for the held exam within 5 working days of the provision of the exam submitting written application to the Central Bank according to the Appendix 4 or filling in the application in the relevant page of the Central Bank website. Within 15 working days of the submission of the application the Central Bank notifies the appellant on the results of the appeal.

**(point 40 completed 01.12.09 number 354-N)**

## **CHAPTER 10**

### **THE PROVISION OF THE QUALIFICATION CERTIFICATE**

**(The headline changed 01.07.08 number 191-N, edited 01.12.09 number 354-N)**

41. The qualification certificate is provided to the participants that have positive results in a paper form according to the Appendix 3 of this regulation within fifteen working days from taking the exam according to the following classification of the positions:

**1) (the sub-point was repealed 01.12.09 number 354-N)**

2) The positions for the head of an executive body of an investment firm and a foreign investment firm branch and its members, the deputy executive director, the head of a department responsible for providing investment services by the banks and credit institutions,

3) The positions for chief accountant, deputy chief accountant of an investment firm and a foreign investment firm branch,

- 3<sup>1</sup>) The positions for the head of internal audit and members of internal audit of an investment firm and a foreign investment firm branch,
- 4) The position of a head of an investment firm branch,
- 5) **(the sub-point was repealed 01.12.09 number 354-N)**
- 6) The positions for the head of the executive body of the operator and its members, the deputy executive director, the chairman of the disciplinary committee,
- 7) The positions of a head of a supervisory service of the operator and its members,
- 8) **(the sub-point was repealed 01.12.09 number 354-N)**
- 9) The positions of a head of an executive body of a Central Depository and its members, the deputy executive director,
- 10) The positions for oversight commission of a Central Depository and its members,
- 11) For natural person providing investment services in the staff or in the name of a person providing investment services, including:
  - a. **Broker** an employee providing services defined by points 1 and 2 of part 1 of article 25 of the Law of the Republic of Armenia “On securities market”,
  - b. **Advisor** an employee providing services defined by point 3 of part 1 of article 25 of the Law of the Republic of Armenia “On securities market”,
  - c. **Dealer** an employee providing services defined by point 4 of part 1 of article 25 of the Law of the Republic of Armenia “On securities market”,
  - d. **Administrator** an employee providing services defined by point 5 of part 1 of article 25 of the Law of the Republic of Armenia “On securities market”,
  - e. **Distributor** an employee providing services defined by point 6 of part 1 of article 25 of the Law of the Republic of Armenia “On securities market”,
  - f. **An employee of the custodian** an employee providing services defined by part 1 of article 26 of the Law of the Republic of Armenia “On securities market”.**(point 41 changed, edited, completed 01.07.08 number 191-N, edited, changed 01.12.09 number 354-N)**

41.1 The information on qualifying persons is published in the website of the Central Bank in the list “Persons owning qualification certificate” within 15 working days after taking the exam. The list of qualifying persons is updated within two working days after the end of the term of qualification or the day of being deprived of qualification.

**(point 41.1 completed 01.07.08 number 191-N, edited 01.12.09 number 354-N )**

41.2 Each candidate can apply to the Central Bank to participate in the exams foreseen for manager positions and to obtain relevant qualification certificates.

**(point 41.2 completed 01.07.08 number 191-N, edited 01.12.09 number 354-N )**

42. The qualification certificates are provided according to the subsequent numbers.

**(point 42 completed 01.07.08 number 191-N)**

43. The qualification certificates are provided in a term of 3 years from the moment of their signing.

- 1) The qualification of the chairman of the board and members of the managing board of the central depository, operator, branch of a foreign investment firm, investment firm is provided before the end of the term of holding a position in the procedure defined by point 39.2 of this regulation.

**(point 43 completed 01.07.08 number 191-N, edited 01.12.09 number 354-N )**

**44. (point 44 repealed 01.12.09 number 354-N )**

**45. (point 45 repealed 01.12.09 number 354-N )**

**46. (point 46 repealed 01.12.09 number 354-N )**

47. If the qualifying persons lose their qualification certificates they can notify it to the Central Bank in a written form presenting a written application in the name of the governor of the Central Bank. The qualifying person obtains new qualification certificate with a note “Copy” and the lost certificate is considered invalid.

**(point 47 completed 01.12.09 number 354-N)**

## **CHAPTER 11 THE SCOPE OF POWERS PROVIDED BY THE QUALIFICATION CERTIFICATE**

48. The person who has received a qualification certificate for positions defined by the sub-point 2 of the point 41 of this regulation can work also as a manager of a branch of an investment firm, a natural person providing investment services in the staff or in the name of a person providing investment services.

49. The chief accountant of the investment firm, foreign investment firm branch officially can be a member of the executive body (management) of the certain investment firm or foreign investment firm branch without obtaining a qualification certificate of a member of an executive body (management).

49.1 A person who has received a qualification certificate for positions of a head of internal audit or member of internal audit of an investment firm or foreign investment firm branch defined by the sub-point 3.1 of point 41 of this regulation can work relevantly as a chief accountant, deputy chief accountant of investment firm or foreign investment firm branch.

**(point 49.1 completed 01.07.08 number 191-N)**

## **CHAPTER 12 THE REGISTRATION OF A QUALIFYING PERSON**

**(The headline changed 01.07.09 number 191-N)**

50. A person providing investment services , Central Depository or operator submit the following documents to the Central Bank for registration of a qualifying person or registration of changes in the staff of qualifying persons.
- a) A petition of person providing investment services , Central Depository or operator on registration of a qualifying person or registration of changes in the staff of qualifying persons according to the Appendix 2,
  - b) A decision of a competent authority on appointment of a qualifying person or changes in the staff of qualifying persons.

Moreover the changes of information defined in the sub-points 2.6, 2.8-2.10, 3.3 and in points 5-9 of a petition defined by Appendix 2 of this regulation are also submitted to the Central Bank immediately after but not late than the end of the following working day from the change becoming known to the investment firm, operator or Central Depository. The petition mentioned in this point and the scanned version of the decision of the competent authority are submitted by the person providing investment services, Central Depository or body managing the operator in electronic version by CBA-net system. Moreover, the petition defined in Appendix 2 of this regulation is submitted in excel format.

**(point 50 changed 01.07.08 number 191-N, edited 10.03.09 number 58-N, 01.12.09 number 354-N)**

50.1 If all necessary information defined by Appendix 2 of this Regulation has been submitted previously to the Central Bank for registration of a candidate of a qualifying person and later a person providing investment services , Central Depository or operator apply to the Central Bank with a petition for registration of the same person then in the process of submission of the petition defined by appendix 2 in the manner defined by point 50 of the regulation only the petition fields 2.1(Name, surname, second name), 2.3 (Date of birth) and all the fields in which the information submitted previously has been changed can be completed.

**(point 50.1 completed 01.07.08 number 191-N, edited 10.03.09 number 58-N, changed 01.12.09 number 354-N)**

**50.2** If person providing investment services, Central Depository or operator apply to the Central Bank for registration of the qualifying person that has been previously registered in the Central Bank as manager or natural person providing investment services, then the certain candidate is invited to the commission session only if the Central Bank finds it necessary.

**(point 50.2 completed 01.07.08 number 191-N, edited 10.03.09 number 58-N, changed, completed 01.12.09 number 354-N)**

50.3 In the scope of submitted information in the petition defined in the point 50 of this Regulation the Central Bank can demand additional information if Central Bank can be aware of the information (details) on discussed factual conditions only by the help of the certain person.

**(point 50.3 completed 10.03.09 number 58-N)**

51. For registration of qualifying persons defined by point 11 of this regulation the commission organizes an interview in the commission session within 15 working days after submission of relevant documents. During the interview in the commission session the compliance of the candidate of the qualifying person at the moment of registration is checked according to the professional compliance criteria defined by chapter 13 of this regulation.

**(point 51 edited 01.12.09 number 354-N)**

51.1 At the moment of registration of persons defined in point 12 of this regulation the decision of the Central Bank Board defined in point 39.2 of this regulation is considered as a basis, except the cases when the Central Bank finds the provision of interview not necessary, when persons defined in point 12 of this regulation are registered without qualification and professional compliance check. The Central Bank has a right not to invite for interview persons defined in point 12 of this regulation whose professional knowledge, working experience, authority and reputation are satisfactory according to the sound opinion of the Central Bank Board for registration without provision of interview.

**(point 51.1 completed 01.12.09 number 354-N)**

51.1 The qualifying person is registered by the decision of the Central Bank Governor within 30 days. For the purpose of clarification of essential facts for registration of a qualifying person the 30-day period can be suspended but not more than once and maximum for three month period. Moreover, in the case of suspension of 30-day period the three month period defined by point 63 of this regulation is also suspended. After the end of suspension of the position period of temporary deputy the position period cannot exceed the number of days derived from the difference between days falling before the suspension of the three month period and temporary position.

**(point 51.1 completed 01.12.09 number 354-N)**

**52. (point 52 revealed 01.07.08 number 191-N)**

53. The registration of a qualifying person can be rejected by the individual decision of the Central Bank Governor if

- 1) The conditions defined by article 51, point 2 of article 58, point 3 of article 114 of the Law of the Republic of Armenia “On securities market” are present,
- 2) The candidate for qualifying person doesn't comply with at least one of the criteria defined by chapter 13 of this regulation,
- 3) The submitted documents are not full, fair or do not comply with requirements defined by law, other legal acts, including by those defined by Central Bank.

53.1 If the qualifying person of a person providing investment services, Central Depository or operator is deprived of a qualification certificate he or she cannot be registered as a person providing investment services, Central Depository or operator within three years from the moment of adoption of decision by the Central Bank on deprivation of qualifying person from qualification certificate.

(point 53.1 completed 01.12.09 number 354-N)

## CHAPTER 13

### PROFESSIONAL COMPLIANCE CRITERIA

54. The candidate for a qualifying person must satisfy the following criteria:

Qualifying person candidate	Criteria
1. Investment firm managers, including	
1.1 chairman of board of directors, board member	a) in the presence of higher education at least 5 years of working experience, in the absence of higher education at least 10 years of working experience and b) qualification certificate obtained from Central Bank
1.2 head of executive body, executive body member, head of executive body of a foreign investment firm branch, executive body member, deputy executive director	a) higher education and b) at least 5 years of working experience from which at least 2 years in a manager position and c) qualification certificate obtained from Central Bank
1.3 manager of a branch	a) in a case of higher education at least 1 year of working experience, and in the absence of higher education at least 2 years of working experience in securities area and c) qualification certificate obtained from Central Bank
1.4 head of internal audit, head of internal audit of foreign investment firm,	a) higher education and b) 3 years of professional working experience and c) qualification certificate obtained from Central Bank
1.4.1 member of internal audit, member of internal audit of foreign investment firm branch	a) higher education and b) 2 years of professional working experience and c) qualification certificate obtained from Central Bank
1.5 chief accountant, deputy chief accountant, chief accountant of foreign investment firm branch and deputy chief accountant	a) higher education and b) 2 years of professional working experience and c) qualification certificate obtained from Central Bank
2. Natural person acting in the name or in the staff of a company providing investment services	a) higher education and b) qualification certificate obtained from Central Bank



3. Head of department responsible for providing investment services by banks and credit organizations	<ul style="list-style-type: none"> <li>a) higher education and</li> <li>b) at least 5 years of working experience from which at least 2 years in a manager position and</li> <li>c) qualification certificate obtained from Central Bank</li> </ul>
4. Head of operator, including	
4.1 head of board and a member	<ul style="list-style-type: none"> <li>a) in the presence of higher education at least 5 years of working experience, in the absence of higher education at least 10 years of working experience and</li> <li>b) qualification certificate obtained from Central Bank</li> </ul>
4.2 head of executive body and a member, deputy executive director	<ul style="list-style-type: none"> <li>a) higher education and</li> <li>b) at least 5 years of working experience from which at least 2 years in a manager position and</li> <li>c) qualification certificate obtained from Central Bank</li> </ul>
4.3 head of disciplinary commission or other similar body	<ul style="list-style-type: none"> <li>a) higher education and</li> <li>b) at least 3 years of working experience and</li> <li>c) qualification certificate obtained from Central Bank</li> </ul>
4.4 head of supervisory commission or other similar body or its member	<ul style="list-style-type: none"> <li>a) higher education and</li> <li>b) 3 years of professional working experience and</li> <li>c) qualification certificate obtained from Central Bank</li> </ul>
5. Head of Central Depository, including	
5.1 head of board and a member	<ul style="list-style-type: none"> <li>a) in the presence of higher education at least 5 years of working experience, in the absence of higher education at least 10 years of working experience and</li> <li>b) qualification certificate obtained from Central Bank</li> </ul>
5.2 a head an executive or other similar body and a member, deputy executive director	<ul style="list-style-type: none"> <li>a) higher education and</li> <li>b) at least 5 years of working experience from which at least 2 years in a manager position and</li> <li>c) qualification certificate obtained from Central Bank</li> </ul>
5.3 head of oversight commission or other similar body and a member	<ul style="list-style-type: none"> <li>a) higher education and</li> <li>b) 3 years of professional working experience and</li> </ul>

	c) qualification certificate obtained from Central Bank
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**(point 54 changed, completed 01.07.08 number 191-N)**

54.1 If the manager candidate doesn't have working experience and (or) higher education defined by point 54 of this regulation he has a right to submit relevant documents, information and (or) other arguments on existence of satisfactory knowledge and skills for working in relevant positions. The governor of the Central Bank has a right to decide to register a person in a relevant position on the basis of submitted documents, information and (or) other arguments and positive resolution of the Licensing committee, if he finds that the person has satisfactory knowledge and skills for working in that position.

**(point 54.1 completed 01.07.08 number 191-N 01.12.09 number 354-N)**

55. The working experience mentioned in point 54 refers to 10 years preceding the moment of registration except the working experience defined for a chairman of board of directors and a board member.
56. In the scope of this regulation person is considered having higher education if he has graduated from higher education institution of the Republic of Armenia and (or) or foreign state and (or) has obtained a professional qualification certificate in the area of finance of international recognition or in the Republic of Armenia.

#### **CHAPTER 14 DEREGISTRATION OF QUALIFYING PERSON AND DOCUMENTS SUBMITTED FOR THAT**

*(Headline changed 01.12.09 number 354-N)*

57. The qualifying person is deregistered by the decision of the Governor of the Central Bank if
- 1) the validity of qualification certificate has finished and the qualifying person has not received a new qualification certificate,
  - 2) the qualifying person is deprived of qualification certificate,
  - 3) person providing investment services, operator or Central Depository has applied with relevant petition,
  - 4) the qualifying person has breached the requirements defined for qualifying persons by laws and other legal acts.

**(point 57 completed 01.12.09 number 354-N)**

58. For deregistration of a qualifying person from the Central Bank by petition of person providing investment services, operator or Central Depository, the person providing investment services, operator or Central Depository submit the following documents to the Central Bank within 10 working days from the adoption of decision on making amendments of competent authority of person providing investment services, operator or Central Depository.

- 1) petition on deregistration of a qualifying person (with arguments of reasons for deregistration) with a signature of authorized person of person providing investment services, operator or Central Depository management body verified by seal of person providing investment services, operator or Central Depository (if available),
- 2) the decision on making amendments or an extract from protocol of a competent body of person providing investment services, operator or Central Depository, if available on nomination of temporary substitute.  
*(point 58 changed 01.07.08 number 191-N, changed, completed 01.12.09 number 354-N)*

## **CHAPTER 15 TEMPORARY SUBSTITUTE FOR QUALIFYING PERSON**

*(The headline changed 01.07.08 number 191-N)*

59. In the scope of this regulation as temporary substitute of qualifying person are considered persons that execute duties of qualifying person of person providing investment services, operator or Central Depository in the procedure defined in this regulation without registration in relevant position in the Central Bank of the Republic of Armenia.
60. In the position of temporary substitute of the head of executive body of investment firm, operator or Central Depository only relevantly deputy executive director or member of executive body of the investment firm, operator or Central Depository or other employee of certain investment firm, operator or Central Depository having qualification certificate for executive director can be appointed.  
*(point 60 edited 01.07.08 number 191-N)*
61. As temporary substitute for department responsible for providing investment services in the staff of bank or credit organization only other employee of the certain bank or credit organization who has qualification certificate defined by sub-point 2 of point 41 of this regulation can be appointed.
62. As temporary substitute for chief accountant of investment firm (the mentioned duty can be executed by) the deputy chief accountant of certain investment firm or other employee of the investment firm who has a qualification certificate for chief accountant can be appointed.
63. The position period for temporary substitute for a qualifying person in the positions of qualifying persons without qualification certificate can be defined not more than 3 months. Exception is foreseen for temporary substitutes of executive director and chief accountant who cannot manage without a qualification certificate. Persons having qualification certificates but not registered by the Central Bank can work as temporary substitute of qualifying person not more than 3 months. Exception is the substitute of executive director who cannot hold positions without being registered in the Central Bank.  
*(point 63 edited 01.07.08 number 191-N)*
64. The candidates for chairman of board of directors and members of investment firm, operator or Central Depository have rights to execute duties of relevantly chairman of board and board member only from the moment of registration in the relevant position in





market”																
1.1. Main definitions of RA law “On securities market”	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V
1.2. The main purpose and regulatory scope of RA law “On securities market”	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V
1.3. Prospectus, program prospectus, requirements defined for them	-	V	-	-	V	V	V	V	V	-	-	V	V	-	-	-
1.4. The compensation of the harm resulting from the consequence of run-out	-	V	-	-	V	V	V	V	V	-	-	-	-	-	-	-

or distortion of information in prospectus by issuer or distributor																
1.5. Requirements to advertising	-	V	-	-	-	-	V	-		-	-	V	-	-	-	-
1.6. The duty of buyback of distributed securities by issuer	-	V		-	V	V	V	V	V	-	-	V	-	-	-	
1.7. Securities distribution, suspension of distribution, reports on distribution process and results	-	V	-	-	V	V	V	V	V	-	-	V	-	-	-	-
1.8. Securities public	-	V	-	-	V	V	V	V	V	-	-	V	V	-	-	-









relations between investment firm and investment firm board																
1.19. Professional compliance and qualification of natural persons providing investment services and heads	V	V	V	V	V	V	V	V	V	V	V	-	-	-	-	-
1.20. Requirements defined for managers of persons providing investment services	V	V	V	V	-	-	-	-	-	-	-	-	-	-	-	-
1.21. Internal audit		V	-	V	-	-	-	-	-	-	-	-	-	-	-	-
1.22. Requirements for	-	V	V	V	V	V	V	V	V	V	-	-	-	-	-	-

activities of persons providing investment services																
1.23. Contract for provision of investment services	-	V	-	V	V	V	V	V	V	V	-	-	-	-	-	-
1.24. Information provided to customer by person providing investment services	-	V	-	V	V	V	V	V	V	V	-	-	-	-	-	-
1.25. Accounting and protection of customer resource by persons providing investment services	-	V	-	V	V	V	V	V	V	V	-	-	-	-	-	-
1.26. Record	-	V	-	V	V	V	V	V	V	V	-	-	-	-	-	-





tion commis sion of investm ent firm, its activitie s, require ments concern ing it, oversig ht and reports																
1.35. Registr ation and license of operato r, revoke of license	-	-	-	-	-	-	-	-	-	-	-	V	-	-	-	-
1.36. Manage ment of operatin g risks of operato r	-	-	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.37. Charter capital and total capital of operato r	-	V	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.38. Manage ment of	-	V	-	-	-	-	-	-	-	-	V	V	V	-	-	-

operator, management bodies, their formation, authorities and duties, relations between management bodies and observing council																
1.39. Market rules defined by operator, requirements concerning them, registration in the Central Bank	-	V	-	-	V	V	V	V	-	-	V	V	V	-	-	-
1.4.0. Duties of operator	-	V	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.4.1. Equalit	-	V	-	-	V	V	V	V	-	-	-	V	V	-	-	-



y of market participants																
1.4.2. Trade prospectus, trade prospectus publication requirement in the case when securities are admitted to trading on market, publication of trade prospectus and admission of securities to trade on market, other requirements	-	V	-	-	V	V	V	V	-	-	-	V	V	-	-	-
1.4.3. Settlement of disputes between person and	-	V	-	V	V	V	V	V	-	-	-	V	V	-	-	-

operator																
1.4.4. Duties of market participant	-	V	-	V	V	V	V	V	-	-	-	V	V	-	-	-
1.4.5. Duties of reporting issuer	-	V	-	-	V	V	V	V	V	-	-	V	V	-	-	-
1.4.6. Regular disclosure of information by reporting issuers	-	V	-	-	V	V	V	V	V	-	-	V	V	-	-	-
1.4.7. Disclosure of information on essential facts by reporting issuers	-	V	-	-	V	V	V	V	V	-	-	V	V	-	-	-
1.4.8. Person exercising internal audit of reporting issuer and audit reports	-	V	-	-	-	V	V	V	-	-	-	V	V	-	-	-
1.4.9. Transac	-	V	-	-	V	V	V	V	-	-	-	V	V	-	-	-

tions in market, requirements defined by Central Bank concerning them																
1.50. Suspension of securities trade and removal of securities	-	V	-	V	V	V	V	V	V	-	-	V	V	-	-	-
1.51. Transactions registration by operator	-	-	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.52. Special conditions of bankruptcy of reporting issuer or person providing investment service	-	V	-	V	-	-	-	-	-	-	-	V	V	-	V	V
1.53. Duty of keeping	-	-	-	-	-	-	-	-	-	-	-	V	V	-	-	-

information not subject to publication by operator																
1.54. Information provided by operator, requirements concerning that	-	V	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.55. Publication of information by operator, publication procedure	-	-	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.56. Duty of operator on market control	-	V	-	-	-	-	-	-	-	-	V	V	V	-	-	-
1.57. Operator reports to Central Bank	-	-	-	-	-	-	-	-	-	-	-	V	V	-	-	-
1.58. Penalties	-	V	-	-	V	V	V	V	-	-	-	V	V	-	-	-

imposed by operator																
1.59. Stock exchange, its members	-	V	-	-	V	V	V	V	-	-	-	V	V	-	-	-
1.60. Rules of stock exchange	-	V	-	V	V	V	V	V	-	-	-	V	V	-	-	-
1.61. Listing of securities in stock exchange, listing conditions	-	V	-	V	V	V	V	V	-	-	V	V	V	-	-	-
1.62. Securities tender offers by joint-stock companies, offer conditions and their changes, admission of more securities	V	V	-	-	V	V	V	V	V	-	V	V	V	V	V	V

es than foreseen by tender offer and other																
1.63. Acquisition of participation in the charter capital of joint-stock company, requirements concerning that, publication of information, confirmation of acquisition of participation or sale	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
1.64. Market abuse	-	V	-	V	V	V	V	V	V	-	-	V	V	-	-	-
1.65. Insider information, prohibition of their inaccurate use,	-	V	V	V	V	V	V	V	V	-	-	V	V	-	-	-

disclosure, delay of disclosure, disclosure in a case of outflow																
1.66. Insider, insiders list	-	V	-	V	V	V	V	V	V	-	-	V	V	-	-	-
1.67. Indemnification of damages caused as a result of non-disclosure or disclosure of wrongful insider information by issuer	-	V	-	V	V	V	V	V	V	-	-	V	V	-	-	-
1.68. General duties of issuer concerning insider information	-	V	-	V	V	V	V	V	V	-	-	V	V	-	-	-
1.69. Duty of reporting	-	-	-	V	-	-	V	-	-	-	-	V	V	-	-	-





Central Depositary																
1.75. Management of Central Depositary, management bodies, their formation, authorities and duties, relations between management bodies and board	-	-	-	-	-	-	-	-	-	-	-	-	-	V	V	V
1.76. Rules of Central Depositary and their registration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	V	V
1.77. Maintenance and security of information available in	-	-	-	-	-	-	-	-	-	V	-	-	-	-	V	V

Central Depositary																
1.78. Information and reports submitted to the Central Bank by Central Depositary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	V	V
1.79. Authority of supervision of Central Depositary	-	V	-	V	-	-	-	-	-	V	-	-	-	-	V	V
1.80. Registration and licensing of Central Depositary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	V	
1.81. Regulation service fees of Central Depositary	-	V	-	V	V	V	-	V	-	V	-	-	-	-	V	V
1.82. Custody of securities,	-	V	V	V	-	-	-	-	-	V	-	-	-	-	V	V

custodian system of securities system																
1.83. Requirements on custodians	-	V	V	V	-	-	-	-	-	V	-	-	-	-	V	V
1.84. Securities accounts	-	V	V	V	V	V	V	V	V	V	-	-	-	-	V	V
1.85. Securities subject to mandatory centralized registration	-	V	-	V	-	-	V	-	-	V	-	-	-	-	V	V
1.86. The moment of transfer of property right	-	V	-	V	V	V	V	V	V	V	-	-	-	-	V	V
1.87. The provision of owners list to issuer	-	V	-	V	-	-	-	-	-	V	-	-	-	-	V	V
1.88. Settlement	-	V	-	V	-	-	-	-	-	-	-	V	V	-	V	V

ent system of securities, its members																
1.89. Management of operating risks of settlement system of securities	-	-	-	V	-	-	-	-	-	-	-	V	V	-	V	V
1.90. Irrevocability of transfer assignments given to the Central Depository	-	V	-	V	V	V	-	V	-	V	-	V	V	-	V	V
1.91. Settlement, ensuring performance of settlement	-	V	-	V	V	V	-	V	-	V	-	V	V	-	V	V
1.92. Special rules for insolvency of	-	V	-	V	-	-	-	-	-	-	-	V	V	-	V	V





1) Legal persons : Basic provisions	-	V	-	V	V	V	V	V	V	V	V	-	V	V	-	V	V
2) Basic provisions on economic partnerships and companies	-	V	-	V	-	-	-	-	-	-	-	V	-	-	V	-	-
3) Limited liability company	-	V	-	V	V	V	V	V	-	-	-	-	-	-	-	-	-
4) Joint-stock company	-	V	-	V	V	V	V	V	V	-	V	V	V	V	V	V	V
5) Noncommercial organizations	-	V	-	-	V	V	V	V	-	-	-	-	-	-	-	-	-
6) Securities: Basic provisions	-	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V
7) Types of securities	-	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V
8) General	-	V	-	V	V	V	V	V	V	V	-	-	-	-	-	V	V

provisions on ownership rights and other property rights																
9) General provisions on pledge	-	V	V	V	V	V	V	V	V	V	-	V	V	-	V	V
10) Definition of obligation and parties	-	V	V	V	V	V	V	V	V	V	-	V	V	-	V	V
11) Performance of obligations	-	V	V	V	V	V	V	V	V	V	-	V	V	-	V	V
12) Security for performance of obligations	-	V	V	V	V	V	V	V	V	V	-	V	V	-	V	V
13) Change of persons in obligation	-	V	-	V	V	V	V	V	V	V	-	V	V	-	V	V
14) Liability for breach of obligations	-	V	V	V	V	V	V	V	V	V	-	V	V	-	V	V





joint-stock companies”																
1) General provisions on joint-stock companies	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
2) Joint-stock company creation, reorganization and liquidation	-	V	-	V	-	-	-	-	-	-	-	V	-	-	V	-
3) Joint-stock company charter capital, shares of company and other securities, net assets of company	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
4) Distribution of company	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V

y shares and other securities																
5) Dividends of company	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
6) Joint-stock company shareholders' registry	V	V	-	V	-	-	-	-	-	V	V	V	V	V	V	V
7) Acquisition and buyback of company's distributed shares	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
8) Large transactions	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
9) Interests in company transactions	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V
10) General assembly of joint-stock company	V	V	-	V	-	-	-	-	-	-	V	V	V	V	V	V





International accounting standards (hereinafter IAS), tax legislation																
1) Financial reports and their elements	-	V	V	V	-	-	V	-	-	-	-	V	V	-	V	V
2) Recognition and measurement of financial reports	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
3) Principles for keeping accounting and drafting financial reports	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
4) Rights and obligations of organization manager in	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V



breach of tax legislation																
10) Rights and obligations of chief accountant	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
11) Basic rules of Accounting	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
12) Primary accounting documents	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
13) Accounting register books	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
14) Right of signature in accounting documents	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
15) Inventory of assets and liabilities	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
16) Confidentiality	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V



of account ing informa tion																
17) Archive of account ing docume nts	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
18) Compil ation and submiss ion of financia l reports	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
19) Accoun t plan for account ing of financia l and econom ic activitie s, the directiv e of their implem entation	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
20)“Su bmissio n of financia l reports” AIS1	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
21)“Sto cks”	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V

AIS2																
22) “Report on money flows” AIS7	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
23) “Accou nting policy, changes and mistake s in evaluati on of account ing”	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
24) “Cases occurre d after the reportin g period” AIS10	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
25) “Profit tax” AIS 12	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
26) “Main funds” AIS 16	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
27) ”Rent” AIS 17	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
28) “Reven ue” AIS 18	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
29) “Accou	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V

ning of state aid and disclosure of state aid” AIS 20																
30) “Consequences of changes in exchange rate of foreign currency” AIS 21	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
31) “Loan expenses” AIS 23	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
32) “Disclosure of affiliated parties” AIS24	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
33) (sub-point repealed in 01.12.09 number 354-N)																
34) “Presentation of financial instruments” AIS32	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
35) “International financial reports”	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V

AIS 34																
36) “Inflation of assets” AIS 36	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
37) “Reserves, conditional obligations and conditional assets” AIS 37	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
38) “Non-material assets” RAIS 38	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
39) “Financial reports, recognition and measurement” AIS 39	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
40) “Investment property” AIS 40	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
40.1) “Payment based on share stocks” IFRS 2	-	-	V	V	-	-	-	-	-	-	-	-	V	-	-	V
41) Taxes and	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V

types of tax exemptions																
42) Rights and obligations of taxpayers and control over paying taxes	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
43) The procedure of return of paid amounts exceeding tax obligations to the taxpayer	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
44) Taxable subjects and taxable objects	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
45) Gross income	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
46) Reductions of gross income	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
47) Taxation of non-residents	-	V	V	V	-	-	-	-	-	-	-	V	V	-	V	V
IV.	-	V	-	-	V	V	V	V	V	-		V	V		V	V



departm ent responsi ble for internal audit (in a case of investme nt firm)																
6) Board sessions, committ ees attached to board	V	V	-	V	-	-	-	-	-	-	V	-	-	V	-	-
7) Grounds for early terminati on of powers of a board member	V	V	-	V	-	-	-	-	-	-	V	-	-	V	-	-
8) Potential sanction s applicabl e to the board members	V	-	-	-	-	-	-	-	-	-	V	-	-	V	-	-
9) Paying of dividend s, reductio n of charter capital	V	-	-	-	-	-	-	-	-	-	V	-	-	V	-	-
10) Conclusi on of contracts on	V	V	-	V	-	-	-	-	-	-	V	V	-	V	V	-

property acquirement and sale																
11) Internal information system, reports submitted to the board	V	V	V	V	-	-	-	-	-	-	V	V	V	V	V	V
12) Grounds for insolvency	V	-	-	-	-	-	-	-	-	-	V	-	-	V	-	-
13) Basic principles of strategy drafting	V	-	-	-	-	-	-	-	-	-	V	-	-	V	-	-
14) Principles on control and work evaluation of executive body	V	-	-	-	-	-	-	-	-	-	V	-	-	V	-	-
15) Remuneration of board and executive body	V	V	-	-	-	-	-	-	-	-	V	V	-	V	V	-
16) Human resources management	V	V	-	V	-	-	-	-	-	-	V	V	-	V	V	-



policy, its role, rights and obligations of board members in human resources management																
17) Main principles of action planning, evaluation and decision-making	V	V	-	V	-	-	-	-	-	-	V	-	-	V	-	-
18) Types of risk specific for the activities of investment firms (operator, Central Depository)	V	V	-	V	-	-	-	-	-	-	V	-	-	V	-	-
19) Peculiarities of money laundering and fight against	V	V	-	V	-	-	-	-	-	-	V	-	-	V	-	-

terrorist financing																
20)Suspension and termination of suspicious transactions	V	V	-	V	-	-	-	-	-	-	V	V	V		-	-
21) Possible ways of distribution of funds of investment firms, function types, competitive nature of investment firms from the perspective of funds distribution	V	V	-	V	-	-	-	-	-	-	-	-	-	-	-	-
22)Used payment and settlement systems, their peculiarities, conditions for ensuring their	V	-	-	-	-	-	-	-	-	-	V	-	V	V	-	V

security																
23)Marketing strategy/policy	V	V	-	V	-	-	V	-	-	-	V	-	-	V	-	-
24)Risk management	V	V	-	V	-	-	V	-	-	-	V	V	-	V	V	-

(The table edited 01.07.08 number 191-N, changed, added 01.12.09 number 354-N)

## CHAPTER 17

### TRANSITIONAL PROVISIONS

#### 66. (point 66 repealed in 01.07.08 number 191-N)

67. The qualification certificate for executing professional activity in securities market provided according to the Law of the Republic of Armenia “On regulation of securities market” of July 6 of 2000 is valid (the validity of qualification certificate is not a basis for exclusion of registration requirement) is valid for three year period since the entrance into force of the Law of the Republic of Armenia “On securities market”. Moreover:

- 1) The professional qualification “general professional qualification ” coincides with the qualification defined by sub-points 2, 3<sup>1</sup>, 4, 5, 6, 7, 8, 9, 10, 11, of point 41 of this regulation,
- 2) The professional qualification “broker (dealer) qualification ” coincides with the qualification defined by paragraphs “a”, “b”, “c” and “e” of sub-point 11 of point 41 of this regulation, as well as with qualification of head of internal audit and member of persons providing investment services defined by that paragraphs,
- 3) The professional qualification “trust manager qualification ” coincides with the qualification defined by paragraph “d” of sub-point 11 of point 41 of this regulation, as well as with qualification of chief of internal audit and member of persons providing investment services defined by that paragraph,
- 4) The professional qualification “custodian specialist qualification” coincides with the qualification defined by paragraph “f” of sub-point 11 of point 41 of this regulation, as well as with qualification of chief of internal audit and member of persons providing investment services defined by that paragraph.

(point 67 edited 01.07.08 number 191-N)

**Appendix 1 of**

**“The qualification of managers of persons providing investment services, the operator and the central depository and natural persons providing investment services, their professional compliance criteria and the list of topics for qualification test” Regulation 4/05 Appendix**

**APPLICATION SUBMITTED FOR PARTICIPATION IN QUALIFICATION TEST**

		To the governor of the Central Bank of Armenia
<b>APPLICATION</b>		_____
Dear Mr. _____		
Please permit me to participate in qualification test for working in the position (positions) of _____.		
(the name of the position or positions)		
Applicant	_____	_____
	Name, surname	signature
	_____	
	(telephone number, address)	
		_____
		200

**PETITION  
INFORMATION ON MANAGERS (QUALIFYING PERSONS)**

**In this reference the definition “manager” includes responsible persons of natural persons providing investment services and insurance brokers.**

Attach  
your  
photo  
here.

“...” **In this part a notice is made if only changes are presented in the petition**

**1. Details on financial organization**

*(here the details of the organization are mentioned the manager of which you must be)*

**1.1. The name and the code of financial organization**

*(for branch managers mention also the branch name of the financial organization and code provided to the financial organization by the Central Bank)*

**1.2 Type of financial organization**

- bank
- foreign bank branch
- credit organization
- insurance company
- foreign insurance company branch
- insurance broker
- investment firm
- foreign investment firm branch
- operator of regulated market
- central depository

**2. Personal details**

**2.1. Name, surname, second name**

**2.2 Sex**

- male
- female

2.3 Date of birth (day/month/year)
2.4 Place of birth
2.5 Citizenship
2.6 The number and series of passport, given by whom and date of issue, date of expiry (in a case of presence the old number and series of passport is completed)
2.7 The number of social card (if available)
2.8 Place of residence (permanent and at the moment of residence)
2.9 Telephone number
2.10 Electronic mail address
2.11 Mention all the names you have had previously, the period of their possession  Name, surname, second name The period of possession (day/month/year)
<b>3. Manager position</b>
3.1 Manager position that you have to hold in the organization mentioned in point 1.1 <ul style="list-style-type: none"> <li>• chairman of board of directors (observing council),</li> <li>• member of board of directors (observing council),</li> <li>• executive director, (head of directorate, head of management, head of executive body)</li> <li>• deputy executive director (head of directorate)</li> <li>• management (directorate, executive body) member</li> <li>• deputy chief accountant</li> <li>• head of internal audit</li> <li>• member of internal audit</li> <li>• the head of the department responsible for provision of investment services in banks and credit organizations</li> <li>• chairman (head) of the oversight committee</li> <li>• deputy chairman (head) of the oversight committee</li> <li>• member of the oversight committee</li> <li>• branch manager (head)</li> <li>• branch executive director</li> <li>• deputy branch executive director</li> <li>• branch chief accountant</li> <li>• head of disciplinary committee of operator</li> <li>• head of supervisory service of operator</li> <li>• member of supervisory service of operator</li> <li>• natural person executing functions of insurance broker</li> <li>• broker</li> <li>• manager</li> </ul>

- dealer
- consultant
- distributor
- custodian employee
- responsible actuary

3.2 Are you appointed in that position as a temporary substitute

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

3.3 Describe your authorities and liability areas as a manager in detail

**4. Education, qualification, working experience**

4.1

<i>The name of institution of education</i>	<i>Place of establishment</i>	<i>Study period (from ---- untill-- --)</i>	<i>Department</i>	<i>Profession</i>	<i>Scientific degree</i>

4.2 What languages do you know?

- Armenian
- English
- Russian
- other (*mention the language*)

4.4 Mention the following details on working experience in recent 10 years

<i>Periods for work acceptance and dismissal from work</i>	<i>Name of organization</i>	<i>Address</i>	<i>Telephone number</i>	<i>Position</i>	<i>Grounds for dismissal</i>

Mention what were you occupied in interim non-working periods

<i>Non-working period</i>	<i>Description</i>

4.5 Mention details on persons that know you personally and are working or have worked with you in financial system (at the moment of the time submission) that if necessary can provide guarantee for your personality (if any are available)

<i>Name, surname</i>	<i>Place of work</i>	<i>Position</i>	<i>Place of residence</i>	<i>Telephone number</i>

### **5. Information on managers**

5.1 Are you recognized as incapable or with limited capacity in a manner prescribed by law?

- No,
- Yes, provide details

5.2 Do you have convictions for crimes executed intentionally?

- No,
- Yes (provide details, including on convictions being removed and cancelled in manner prescribed by law)

5.3 Have you been deprived of a right to hold positions in financial, insurance, banking, fiscal, customs, trade, economic, legal fields?

- No,
- Yes, provide details

5.4 Have you been recognized a bankrupt and had undue obligations?

- No,



- Yes, provide details

5.5 Have you been involved as suspected, accused or convicted in a criminal case by law enforcement bodies in RA or other countries?

- No,
- Yes, provide details

5.6 Have you been subject to criminal liability for a crime defined by criminal legislation of other countries or RA criminal code?

- No,
- Yes, provide details

**Persons that are currently or have been previously managers of a financial organization have to answer also to the questions mentioned in points 5.7 to 5.10. Persons that are currently or have been previously considered as major participants of a financial organization have to answer also to the questions mentioned in points 5.7 and 5.8.**

5.7 Has a financial institution operating in RA territory or other countries been recognized as insolvent or bankrupt during your governing period, or the financial condition of a financial institution operating in RA territory has been worsened as a result of your actions or no actions taken by you according to the criteria approved by RA Central Bank Board?

- No,
- Yes, provide details

5.8 Has a financial institution registered in RA territory or foreign country been recognized as insolvent or bankrupt during your governing period as a result of your actions or absence of actions taken by you?

- No,
- Yes, provide details

5.9 Have you been sanctioned for a fine for 3 and more times in a 1 year period as a head of a financial organization during your governing period?

- No,
- Yes, provide details

5.10 Have you been deprived of a qualification certificate in a manner and grounds defined by law regulating the activities of a financial organization defined in point 1.2?

- No,
- Yes, provide details (including grounds for depriving from qualification certificate)

## 6. Major participation and affiliation

*In this point the provisions related to reporting issuers are completed only by persons providing investment services, operator of the regulated market, managers of Central Depository as well as natural persons providing investment services.*

**6.1 Mention all the financial institutions as well as reporting issuer companies considered as non-financial institutions in statutory foundation (capital) of which you have or you have had major participation in recent 5 year period.**

*Mention participations starting from the biggest*

The name of the financial institution (reporting issuer company considered as non-financial institution)	The period (for participation having previously mention the period of being a participant)	The size of participation (%)	The number of shares	Total sum (AMD)

**6.2 If informed mention the financial institutions as well as reporting issuer companies considered as non-financial institutions in statutory foundation (capital) of which parties affiliated with you have or have had major participation in recent 5 year period.**

*Mention participations starting from the biggest*

<i>The name of the</i>	<i>The period (for participation having</i>	<i>The size of participation (%)</i>	<i>The number of shares</i>	<i>Total sum (AMD)</i>

<i>organization</i>	<i>previously mention the period of being a participant)</i>			

**6.3 Mention the following details on persons affiliated with you that are working or have worked in financial system as well as in reporting issuer companies (if any)**

*The affiliation should be discussed according to the relevant law regulating the activities of financial organization mentioned in point 1.2, in a case of reporting issuers according to the Law of the Republic of Armenia “On securities market”. In the scope of this regulation parents, wife/husband and children are considered as members of the same family.*

Name, surname	The period (mention the working period for work in relevant financial institution (reporting issuer companies) for persons working in financial system (reporting issuer companies))	The passport number	Type of affiliation	The place of work	Position	Telephone number

**7. Monetary (other) obligations**

**7.1 Do you (or persons affiliated to you) have monetary (or other) obligations towards the financial institution the manager of which you are going to be?**

- No,
- Yes, provide details (sum, period, other)

**7.2 Do you (or persons affiliated to you) have or have had undue obligations towards financial organizations operating in the territory of RA?**

- No,
- Yes. Provide details (the name of the financial organization, sum, period, other)

**8. Other information**

**8.1 In this part the following details on natural persons affiliated to you are mentioned (except persons mentioned in point 6.3)**

<i>Name, surname</i>	<i>Passport number</i>	<i>Type of affiliation</i>	<i>The place of work</i>	<i>Position</i>	<i>Place of residence</i>	<i>Telephone number</i>

**8.2 Mention the following details of the legal person affiliated to you.**

<i>The name of organization</i>	<i>The address</i>	<i>Type of affiliation</i>	<i>Telephone number</i>

- **9. Are there any other important details that you would like to mention.**
- No,
- Yes, provide details

**10. Other documents**

**10.1 This point is completed only by bank board members. I have get acquainted with the document “Guideline on board member activities”.**

- Yes,

- No

**11. I confirm that the information contained in this document is full and proper.**

*Signature of a manager represented for registration -----*

**12. Signature of an authorized person of the financial organization and the seal of the organization (if available)**

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

-----

*Date (day/ month/year)*

-----

*Signature*

-----

*Seal of financial organization*

-----

*(Appendix edited 01.07.08 number 191-N, 10.03.09 number 58-N, completed, edited 01.12.09 number 354-N)*

**Appendix 3 of**

**“The qualification of managers of persons providing investment services, the operator and the central depository and natural persons providing investment services, their professional compliance criteria and the list of topics for qualification test” Regulation 4/05 Appendix**

**FORM OF CERTIFICATE FOR QUALIFICATION OF A QUALIFYING PERSON OF A PERSON PROVIDING INVESTMENT SERVICES, OPERATOR, CENTRAL DEPOSITARY**

**CERTIFICATE N**

This certificate is granted to

\_\_\_\_\_  
*Name, surname*

\_\_\_\_\_  
Details of a document identifying the person

for working in position (positions) of

\_\_\_\_\_  
the name or names of a position or positions

This certificate is valid until “ \_\_\_\_ ” \_\_\_\_\_ 20 .

**The governor of RA Central Bank** \_\_\_\_\_

“ \_\_\_\_ ” \_\_\_\_\_ 20 .



*(Appendix edited 01.12.09 number 354-N)*

**Appendix 4 of**

**“The qualification of managers of persons providing investment services, the operator and the central depositary and natural persons providing investment services, their professional compliance criteria and the list of topics for qualification test” Regulation 4/05 Appendix**

**APPLICATION**

**FOR APPELATION OF RESULTS OF QUALIFICATION EXAMINATION**

Name, surname of appellant -----

Passport details of appellant -----

Day, month, year of taking examination -----

Type of qualification -----

Telephone number -----

Electronic mail address (if available)-----

The description of a problematic issue that is considered as reason for  
appellation

-----

-----  
*Signature of applicant*

“ “ ----- 20

*(Appendix completed 01.12.09 number 354-N)*