

30/08/2013  
No. 211-N

**ON APPROVAL OF REGULATION 5/15**

**“PROCEDURE FOR REGISTRY MAINTENANCE OF MANDATORY PENSION FUNDS  
PARTICIPANTS AND ACCOUNT OPERATORS ACTIVITY”**

This regulation incorporates amendments  
made by the RA Central Bank Board resolution  
No. 282-N, dated 10th December, 2013

**With the purpose of** ensuring the provision of regular and high-quality services of the registrar of participants of the funded pension component, and mitigating the risks of the maintenance of the register of participants,

**On the basis of** points 8 and 9 of Article 15 of the Republic of Armenia law “On Funded Pensions”,

**Following** point “e” of Article 20 of the Republic of Armenia law “On the Central Bank of the Republic of Armenia” and Article 16 of the Republic of Armenia law “On Legal Acts”, the Board of the Republic of Armenia Central Bank hereby decides:

(Introduction is amended on 15.07.14 by No. 188-N)

1. To approve Regulation 5/15 “Procedure for Registry Maintenance of Mandatory Pension Funds Participants and Account Operators Activity” according to the attached appendix to this resolution.
2. Within 1 month after this resolution enters into force, the registrar of participants must bring its activity to conformity with this resolution.
3. This resolution shall enter into force on the 10<sup>th</sup> day after promulgation.

**The Governor of RA Central Bank**

**Arthur Javadyan**

## REGULATION 5/15

### PROCEDURE FOR REGISTRY MAINTENANCE OF MANDATORY PENSION FUNDS PARTICIPANTS AND ACCOUNT OPERATORS ACTIVITY

#### DIVISION I. GENERAL PROVISIONS

##### CHAPTER 1. SUBJECT OF REGULATION

1. This regulation establishes the procedure for registry maintenance of mandatory pension fund (hereinafter also referred to as “fund”) participants by the registrar of participants, as well as the requirements for the account operator’s activity.

##### CHAPTER 2. GENERAL PROVISIONS

2. For executing transactions in the register of participants, the participant shall submit necessary applications, requests and other documents or information to the registrar of fund participants through the following means:

- 1) Website of the registrar of participants,
- 2) Intermediation of account operator, without concluding any services contract.

3. For executing transactions in the register of participants, the participant can apply to any account operator, regardless of which account operator had mediated the submission of the previous application or opening of a pension account.

4. The registrar of participants shall establish rules for maintenance of participants registry, which shall determine the procedure and conditions for opening, maintenance and closing of pension accounts, recording transactions in the register of participants, acceptance of applications, requests and other information by account operators and transmission thereof to the registrar of participants, requirements for account operators, procedure for communicating with account operators, as well as other provisions stipulated by this Regulation.

##### CHAPTER 3. MAIN CONCEPTS

5. The concepts used in this Regulation shall have the following meanings:

- 1) **Regulation 10/07** shall mean Regulation 10/07 “Application Forms for Selection of Mandatory Pension Fund, Exchange of Fund’s Units and Submission Procedure thereof “ approved by the Republic of Armenia Central Bank Board resolution No. 171-N, dated 21/06/2011 on approval of Regulation 10/07 “Application Forms for Selection of Mandatory Pension Fund, Exchange of Fund’s Units and Submission Procedure thereof“,
- 2) **Regulation 10/09** shall mean Regulation 10/09 “Requirements to Procedure for Issue of Units of Mandatory Pension Funds, Rules for Acquisition of Participation and Redemption of units in Mandatory Pension Fund by the Pension Management Company” approved by the Republic of Armenia Central Bank Board resolution No. 156-N, dated 24/05/2011 on Approval of Regulation 10/09 “Requirements to Procedure for Issue of Units of Mandatory Pension Funds, Rules for Acquisition of Mandatory Pension Fund units by the Pension Management Company”,

- 3) **Regulation 5/10** shall mean Regulation 5/10 “Procedure for Maintenance of Centralized Securities Registry and Safekeeping” approved by the Republic of Armenia Central Bank Board resolution No. 272-N, dated 16/10/2012 on approval of Regulation 5/10 “Procedure for Maintenance of Centralized Securities Registry and Safekeeping” and revoking the Republic of Armenia Central Bank Board resolution No. 44-N dated 01/03/2011,
- 4) **Application** shall mean application for execution of a transaction in the register of participants or request for information from the register of participants.  
(Point 5 is amended on 15.07.14 by No. 188-N)
6. Other concepts used in this Regulation shall have the meanings stipulated by the RA law ‘On Funded Pensions’.

## **DIVISION II. THE INFORMATION RECORDED IN THE REGISTER OF PARTICIPANTS AND THE PENSION ACCOUNT**

### **CHAPTER 4. INFORMATION RECORDED IN THE REGISTER OF PARTICIPANTS**

7. The following information shall be entered in the register of participants:
  - 1) Funds, their managers,
  - 2) Fund participants and units pertaining to them,
  - 3) Transactions executed with fund units.
8. The registrar of fund participants shall define the structure, sources and procedure for registration of data stipulated by this chapter to be recorded in the register of participants.
9. If, by any application submitted to the registrar of participants, the participant provides new contact data, which are different from the data existent in the register of participants, then the registrar of fund participants shall use the latest available data submitted by the participant for sending notifications or provision of pension account information to the participant.

### **CHAPTER 5. PENSION ACCOUNT**

10. Only units of mandatory pension funds may be recorded in the pension account opened in the registrar of participants.
11. Participant may have only one pension account.
12. The following information shall be entered with regard to the pension account:
  - 1) The name and surname of the participant,
  - 2) The address of the participant,
  - 3) The series and number of identification document of the participant,
  - 4) The pension account number and date of opening of pension account,
  - 5) The name of the mandatory pension fund, units of which are recorded in the pension account,
  - 6) The number of pension fund units recorded in the pension account,
  - 7) The dates of registration of acquisition of pension fund units and other transactions,
  - 8) The pension allowances made for (for the benefit of) the participant,
  - 9) Other information defined by law, normative legal acts, adopted on the basis thereof, or rules of the registrar of participants.  
(Point 12 is amended on 15.07.14 by No. 188-N)

### **CHAPTER 6. OPENING OF PENSION ACCOUNT**

13. A pension account can be opened only for persons, who according to the RA law “On Funded Pensions“ have right to hold mandatory pension fund units.
14. The registrar of participants shall open pension account on the following bases:
  - 1) Fund selection application submitted by the participant, according to Regulation 10/07, or

2) Personified data on pension allowances, submitted to the registrar of participants by the tax authority.

(Point 14 is amended on 15.07.14 by No. 188-N)

## **CHAPTER 7. CHANGE IN DATA REGISTERED IN PENSION ACCOUNT**

15. The participant must inform registrar of participants on the change in any data provided during opening of the pension account. In case of failing to provide the data mentioned in this point, the registrar of participants shall not be responsible for any damage to the participant.

## **CHAPTER 8. TRANSACTIONS EXECUTED IN THE REGISTER OF PARTICIPANTS**

16. The requirements for procedure of issue and redemption of fund units shall be defined in Regulation 10/09.

17. Forms of applications submitted for execution of operations in the register of participants and procedure of submission thereof shall be defined by Regulation 10/07, RA government decision 629-N, dated May 17, 2012 “On Establishing the Form, Content and Procedure for Free Annual Provision of Information to the Pension Fund Participants on Previous Calendar Year’s Data, Reflected in the Participant’s Pension Account, by the Registrar of Participants, and the Procedure, Form and Content of Opting the Type of Receiving Information by Participants, Termination of Receiving the Information, and Retrieving of Receiving the Information Following the First Year of Receiving that Information“, as well as the rules of the registrar of participants.

18. Payment of pensions in the form of program withdrawals shall be executed according to the procedure defined by the RA law “On funded Pensions“ and the RA government decision No. 1561-N, dated November 29, 2012 “On Defining the Methodology of Calculating the Program Withdrawal in Case of Payment of Funded Pension in the Form of Program Withdrawal”.

19. Payment of pensions in the form of lump-sum shall be executed according to the procedure defined by the RA law “On funded Pensions“ and the procedure defined jointly by the Republic of Armenia Ministry of Finance and the Republic of Armenia Central Bank.

20. Payment of lump-sum pension to the foreign citizens, in case they return to the country of their permanent residence, shall be executed according to the procedure defined by the RA government decision No. 824-N dated June 28, 2012.

(Point 20 is amended 15.07.14 by No. 188-N)

## **DIVISION III. ACCOUNT OPERATOR AND ENTRY OF INFORMATION IN THE REGISTER THROUGH ACCOUNT OPERATOR**

### **CHAPTER 9. REQUIREMENTS FOR ACCOUNT OPERATORS ACTIVITY**

21. In case otherwise defined in this Regulation, the provisions of division 5 of Regulation 5/10 shall apply to account operators, by implying for “securities account”, “securities registration system” and “Central Depository” concepts respectively “pension account”, “register of participants” and “registrar of participants” (where applicable):

22. Requirements for process of servicing the participants by the account operator are defined in Appendix 1.

23. The account operator shall refuse acceptance of any application, if the application does not comply with the requirements defined by the RA law “On Funded Pensions”, normative legal acts adopted on the basis thereof, as well as in case the personal data contain errors and inaccuracies, or the application was submitted by the person not having right to submit that application.

24. In case of refusing the acceptance of application according to point 23 of this Regulation, the account operator shall immediately notify the person who submitted that application about that by indicating the grounds for refusal of the application.

25. The account operator shall service the participants every working day.

## **CHAPTER 10. GRANTING THE STATUS OF ACCOUNT OPERATOR**

26. The registrar of participants shall grant the status of account operator only to persons defined by RA government decision No. 1021-N dated August 16, 2012, which satisfy the requirements defined by the registrar of participants.

## **CHAPTER 11. WITHDRAWING THE STATUS (DEPRIVING OF THE STATUS) OF ACCOUNT OPERATOR**

27. The decision of the registrar of participants on withdrawing (depriving of) the status of account operator shall define at least the grounds for withdrawing the status of account operator.

28. Point 103 of Regulation 5/10 does not apply to account operators.

## **CHAPTER 12. RESPONSIBILITIES OF THE PERSON DEPRIVED OF OR SURRENDERING THE STATUS OF ACCOUNT OPERATOR**

29. The person acting as account operator, wishing to surrender that status, must publish a notification about that fact on its website at least 1 month prior to termination of the contract concluded with the registrar of participants. The notification defined in this point, except for the notification on surrendering the status of account operator, shall contain also information that participants can be serviced by all other account operators, or through the website of the registrar of participants, as well as necessary information for contacting other account operators and the website address of registrar of participants.

30. The person, which was deprived of, or surrenders the status of account operator, shall meet all the requirements of the registrar of participants, aimed at protection of participants' rights and continuity of the participants' registry maintenance process.

31. Points 106-109 of Regulation 5/10 do not apply to account operators.

## **DIVISION IV. COMMUNICATION WITH MANAGEMENT COMPANIES**

### **CHAPTER 13. INFORMATION ENTERED IN THE REGISTER BY MANAGEMENT COMPANIES**

32. The fund management company shall provide information to the registrar of participants according to the procedure and content defined by law, normative legal acts of the the Republic of Armenia Central Bank and the contract concluded with the registrar of participants. In case the information provided by the management company is used for executing operations in the register of participants, then the execution of such operations shall be based on the most recent information provided by the management company.

33. The registrar of participants must provide to fund management companies the information and reports defined by law, its rules and (or) according to the contract concluded with the fund management company up to the volume and frequency defined by law. The registrar of participants must regularly provide to fund management company the information on size of participation in the fund under its management.

## DIVISION V. INFORMATION SYSTEMS AND INFORMATION PRESERVATION

### CHAPTER 14. PRESERVING AND ARCHIVING THE INFORMATION

34. **(Point 34 is revoked on 10.12.13 by No. 282-N)**

35. **(Point 35 is revoked on 10.12.13 by No.282-N)**

36. The registrar of participants must notify in advance the account operators on all changes made in the registry maintenance rules, procedures, information systems used for registry maintenance, which influence the activity of account operators, at least within 15 days prior to enactment of those changes.

37. The deadline for prior notification indicated in point 36 of this Regulation can be shorter upon written consent of 2/3 of persons acting as account operator.

38. Point 95 of Regulation 5/10-h shall not apply to account operators.

## DIVISION VI. SUPERVISORY POWERS OF THE REGISTRAR OF PARTICIPANTS

### CHAPTER 15. SURVEILLANCE OF ACCOUNT OPERATOR'S ACTIVITY BY THE REGISTRAR OF PARTICIPANTS

39. The registrar of participants shall check the compliance of account operator's activity with legislation and the requirements defined by the registrar of participants according to the procedure defined by rules of registrar of participants, the contract concluded between the registrar of participants and account operator.

40. The registrar of participants shall regularly check the records made in its information system by the account operators concerning the operations and requests in the pension accounts of participants by comparing them with the documents available to the account operator that served as a basis for those operations and requests.

41. Upon executing the power stipulated by point 39 of this Regulation, the registrar of participants has right to require from account operator all the documents, which served as a basis for execution of operations and requests in the register of participants.

## **MINIMUM REQUIREMENTS FOR SERVICING THE PARTICIPANTS BY THE ACCOUNT OPERATORS**

1. For regulating the queue, account operator shall have waiting line management system, which will help effectively organize process of servicing the participants.
2. The account operator shall ensure that the participants are serviced through all front desks.
3. In front office of the account operator (hereinafter also referred to as “office”) an information desk shall be available, available for brochures, booklets on pension funds and fund managers, as well as complaints/claims and other information materials. The account operator shall ensure the availability of all information materials at the office on an ongoing basis.
4. In the front office of the account operator the equipment, necessary for high-quality and efficient service delivery, shall be in place (computers, printer, telephones, etc.).
5. The account operator shall have the telephone number, by which the participants might contact for receiving information on their pension accounts or file their complaints/claims. The account operator shall ensure the availability of the telephone number for participants on an ongoing basis.
6. The account operator shall be equipped with a telephone connected to the hot line, which will interconnect the respective employees of the account operator and the registrar of participants for solving the problems appeared during the process of servicing the participant.
7. The office shall be equipped in a such way that the participants can get information easily and promptly, fill out respective applications.
8. In apparent place at the office, the information, formulated in a simple and intelligible way, shall be posted with description of steps for selecting a pension fund by the participant.
9. The list of all pension funds and pension fund management companies operating in the territory of the Republic of Armenia shall be available in apparent place at the office.
10. The account operator must provide upon request of the participant the paper form of any application defined by Regulation 10/07 or the Republic of Armenia government decision No. 629-N, dated May 17, 2012, which the participant might fill out without assistance and submit to the account operator.  
**(Point 10 is amended on 10.12.13 by No. 282-N)**
11. The account operator shall constantly have a general responsible officer, who shall meet the participant upon entering the operational office and guide them in the office.
12. The account operator shall constantly have a at least one servicing officer. In case a waiting line appears, the account operator shall use best efforts in order to ensure that the waiting time of servicing the participants is not more than 5 minutes.
13. The account operator shall ensure that the officers serving the participants have adequate knowledge to use the information system of participants’ registry maintenance and service the participants.
14. The account operator shall use best efforts to ensure that the time of servicing one participant does not last more than 5 minutes.
15. The officer of the account operator must communicate with the participant, according to the scripts provided by the registrar of participants, which are subject to coordination with the Republic of Armenia Central Bank.