

CENTRAL BANK OF THE REPUBLIC OF ARMENIA
BOARD RESOLUTION 187 N

Adopted August 25, 2015

**ON APPROVAL OF REGULATION ON “MAXIMUM TIME LIMITS FOR
TRANSFER OF FUNDS IN THE TERRITORY OF THE REPUBLIC OF ARMENIA”
AND REPEALING RESOLUTION N 96 OF THE BOARD OF THE CENTRAL BANK OF
THE REPUBLIC OF ARMENIA DATED APRIL 25, 2000**

Intending to decrease the time required for transfer of funds by banks in the territory of the Republic of Armenia, as well as establish time limits for transfer of funds for payment and settlement organizations,

Pursuant to the Article 5 (1 (b), 2(e)) of the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia”, as well as Article 36 (2) of the Law of the Republic of Armenia “On Funds Transfer by Payment Order” and Article 17 (2) of the Law of the Republic of Armenia “On Payment and Settlement Systems and Payment and Settlement Organizations”,

Having regard to the Article 20 (e) of the Law of the Republic of Armenia on “On the Central Bank of the Republic of Armenia” and Article 16 and 72 (1) of the Law of the Republic of Armenia on “Legal acts”, the Board of the Central bank of Armenia **decides to:**

1. Approve Regulation on “Maximum time limits for transfer of funds in the territory of the Republic of Armenia” pursuant to Appendix (attached).
2. Repeal the Resolution N 96 of the Board of the Central Bank of the Republic of Armenia dated April 25, 2000, on approving Regulation on “Maximum time limits for transfer of funds by payment order in the territory of the Republic of Armenia”.
3. This Resolution shall enter into force on the fifteenth day following its official publication

Deputy Chairman of the Central Bank of Armenia
Nerses Yeritsyan

Approved by
the Resolution 187-N of
the Board of the Central Bank
of the Republic of Armenia
dated August 25, 2015

REGULATION

ON MAXIMUM TIME LIMITS FOR TRANSFER OF FUNDS IN THE TERRITORY OF THE REPUBLIC OF ARMENIA

CHAPTER 1. GENERAL PROVISIONS

1. This Regulation establishes the maximum time limits for transfer of funds in the territory of the Republic of Armenia, including payments to the state and community budgets of the Republic of Armenia, and payments for rendering public services, by banks and payment and settlement organizations (hereinafter referred to as “financial institutions”).
2. The maximum time limits prescribed by this Regulation do not apply to those transfers of funds (except for payments to the state and community budgets of the Republic of Armenia, and payments for rendering public services), for which there are established other time limits by agency, commission or order agreement between the financial institution servicing the payer and the beneficiary.
3. The terms used in this Regulation shall have the following meaning:
 - 1) *payment instruction* – for the purposes of transfer of funds, an instruction to a financial institution to pay a beneficiary or instruct another financial institution to pay a beneficiary either from the banking account of the payer via presenting a payment order, or by the cash provided by the payer, or by electronic money of the payer;
 - 2) *transfer of funds* (hereinafter referred to as “transfer”) – the following payments made by a payer to a beneficiary through financial institutions:
 - a) payment for which the payer receives a property, property rights, or is provided services or works, including a payment for provided public services, or
 - b) payment which is made to the state or community budget of the Republic of Armenia, or
 - c) transfer of funds for which the payer does not receive a property, property rights, or is not provided services or works;
 - 3) *payment for provision of public services* – a payment for such services which are included within the scope of regulated public services as prescribed by Article 2 (a, b, c) of the Law of the Republic of Armenia “On the public services regulatory body”;

- 4) **notification of transfer** – provision of notification to a beneficiary of the transfer by the financial institution servicing the payer,
- 5) **bank** – a bank which is licensed by the Central Bank of the Republic of Armenia pursuant to the Law of the Republic of Armenia “On banks and banking”, or the Central Bank of the Republic of Armenia,
- 6) **payment and settlement organization** – a payment and settlement organization which has received a license for implementation of money transfers by the Central Bank of the Republic of Armenia pursuant to the Law of the Republic of Armenia “On payment and settlement systems and payment and settlement organizations”;
- 7) **territorial unit of a financial institution** – the head office or a branch of a financial institution;
- 8) **payer** – a person/entity initiating the transfer (the person/entity presenting the first payment instruction),
- 9) **beneficiary** - a person/entity who is the intended final recipient of the transferred funds upon the payment instruction;
- 10) **financial institution servicing a payer** – a bank or payment and settlement organization which receives and processes the payment instruction provided by a payer;
- 11) **institution servicing a beneficiary** – a financial institution servicing a beneficiary, i.e. a bank, payment and settlement organization or the Treasury of the Republic of Armenia, which shall implement the payment of transferred funds to the beneficiary;
- 12) **intermediary bank** – a bank which receives the payment instruction and is different from the financial institutions servicing the payer and beneficiary,
- 13) **operational day** – a period during the business day, as defined by a financial institution, during which the financial institutions receives and processes payment instructions and thereby provides customer service;
- 14) **day of receiving payment instruction** – the business day of a financial institution, during which it receives the payment instruction. If the payment instruction is provided to a financial institution after the end of the operational day, then the payment instruction is considered received on the opening of the operational day of the following business day;
- 15) **day of processing payment instruction**:
 - a) in the case when the payer and beneficiary are serviced by different institutions, the operational day during which the financial institution servicing the payer, for the purposes of executing the payer’s payment instruction, sends a payment instruction to the next participant in the payment chain;
 - b) in the case when the payer and beneficiary are serviced by the same financial institution, the day on which the beneficiary is paid;
- 16) **payment day** – the operational day on which the amount specified in the payment instruction is due to be credited (paid) to the beneficiary by the territorial unit of the beneficiary’s servicing financial institution;
- 17) **settlement** – according to the meaning as defined by the Law of the Republic of Armenia “On payment and settlement systems and payment and settlement organizations”.

4. For various payment chains, the maximum time limits for conducting transfers as defined by this Regulation are summarized in Annex 1, which is an inseparable part of this Regulation.

CHAPTER 2. MAXIMUM TIME LIMITS FOR TRANSFERS WHEN THE PAYER AND BENEFICIARY ARE SERVICED BY THE SAME FINANCIAL INSTITUTION

5. If a payer and beneficiary are serviced by the same financial institution, then the financial institution shall ensure the payment to the beneficiary:
 - 1) during the day of receiving the payment instruction, if the payer's payment instruction does not contain a mention of the processing and payment days;
 - 2) during the day of processing the payment instruction, if the latter is mentioned in the payment instruction;
 - 3) during the payment day, if it is mentioned in the payment instruction.
6. For the purposes of this chapter, users and service providers signed in an electronic money settlement system are not considered as payer and beneficiary serviced by the same financial institution.

CHAPTER 3. MAXIMUM TIME LIMITS FOR TRANSFERS WHEN THE PAYER AND BENEFICIARY ARE SERVICED BY DIFFERENT FINANCIAL INSTITUTIONS

7. If a payer and beneficiary are serviced by different institutions, and the financial institution servicing the payer is a payment and settlement organization, then the payment and settlement organization (irrespective of the fact whether the payer is serviced directly at the head office or branch of the payment and settlement organization, including via payment terminal) shall, for the purposes of executing the payer's payment instruction, send a payment instruction to its servicing bank in such manner and time that will allow the latter to receive the payment instruction:
 - 1) no later than during the operational day following the day of receiving the payer's payment instruction, if the payer's payment instruction does not contain a mention of the processing and payment days;
 - 2) if the payer's payment instruction contains a mention on the processing day, no later than the processing day mentioned in the payer's payment instruction, if such processing day is not the same as the day of receiving the payment instruction, and in the opposite case, when the processing day mentioned in the payment instruction is the same as the day of receiving the payment instruction, within the time limits as prescribed by sub-paragraph 1 of this paragraph;
 - 3) if the payer's payment instruction contains a payment day, within such a period that will allow an institution servicing the beneficiary to make the payment to the beneficiary on the payment day specified in the payment instruction.
8. If pursuant to paragraph 7 of this Regulation, the financial institution servicing the payer is a payment and settlement organization, then the bank servicing the aforementioned payment and settlement organization (irrespective of the fact whether the payment and settlement

organization is directly serviced at the head office or branch of the bank) shall process the latter's payment instruction in such manner and time that:

- 1) the account of the institution servicing the beneficiary at the intermediary bank be credited and settlement be processed no later than the intermediary bank's operational day that follows the day the bank servicing the payment and settlement organization receives the payment instruction, or
 - 2) the account of the institution servicing the beneficiary at the bank servicing the payment and settlement organization be credited and settlement be processed no later than the operational day of the institution servicing the beneficiary that follows the day the bank servicing the payment and settlement organization receives the payment instruction, or
 - 3) the account of the bank servicing the payment and settlement organization at the institution servicing the beneficiary be debited and settlement be processed no later than the operational day of the institution servicing the beneficiary that follows the day the bank servicing the payment and settlement organization receives the payment instruction.
9. If a payer and beneficiary are serviced by different institutions, and the financial institution servicing the payer is a bank, then the bank (irrespective of the fact whether the payer is serviced directly at the head office or branch of the bank) shall process the payer's payment instruction in such manner and time that the account of the institution servicing the beneficiary at the intermediary bank or the bank servicing the payer be credited, or the account of the bank servicing the payer at the institution servicing the beneficiary be debited and the settlement be processed:
- 1) no later than the operational day following the day of receiving the payer's payment instruction, if the payer's payment instruction does not contain a mention of the processing and payment days; moreover, the operational day refers to that of the intermediary bank in the case when the account of the institution servicing the beneficiary at the intermediary bank is credited and refers to that of the institution servicing the beneficiary in the case when the account of the bank servicing the payer at the institution servicing the beneficiary is debited;
 - 2) if the payer's payment instruction contains a mention on the processing day, no later than the processing day mentioned in the payer's payment instruction, if such processing day is not the same as the day of receiving the payment instruction, and in the opposite case, when the processing day mentioned in the payment instruction is the same as the day of receiving the payment instruction, within the time limits as prescribed by sub-paragraph 1 of this paragraph;
 - 3) if the payer's payment instruction contains a payment day, within such a period that will allow an institution servicing the beneficiary to make the payment to the beneficiary on the payment day specified in the payment instruction.
10. The financial institution servicing a beneficiary, when processing the settlement pursuant to this Regulation, shall ensure the payment to the beneficiary:
- 1) if the payer's payment instruction does not contain a payment day, during the day when the settlement is processed (irrespective of the fact whether the beneficiary is serviced directly at the head office or branch of the financial institution), if the

settlement is processed during the operational day of the institution servicing the beneficiary, and if the settlement is processed after the operational day of the institution servicing the beneficiary, then during the operational day following the day on which the settlement was processed,

- 2) during the payment day, if the payer's payment instruction contains such payment day.

11. For the purposes of this Regulation, the settlement is considered processed, when:

- 1) the institution servicing the beneficiary receives a notification of processing the settlement, or
- 2) the institution servicing the beneficiary receives a notification of crediting the latter's account, or
- 3) the institution servicing the beneficiary debits the account of the financial institution which has sent the payment instruction.

Annex 1

of the Regulation “On maximum time limits
for transfer of funds in the territory of
the Republic of Armenia”

MAXIMUM TIME LIMITS FOR TRANSFER OF FUNDS FOR DIFFERENT PAYMENT CHAINS

The following abbreviations are used for the purposes of this Annex 1:

Head office of a financial institution - HFI,

Branch of a financial institution - BFI,

Head office of a payment and settlement organization – HPO,

Branch of a payment and settlement organization – BPO,

Head office of a bank - HB,

Branch of a bank - BB,

Intermediary bank - INT,

Treasury of the Republic of Armenia – T,

Central Bank - CB.

1. Payer and beneficiary are serviced by the same financial institution

Payment Chain			Maximum Time Limit
BFI1	HFI	BFI2	(1)*
BFI1	HFI	-	(1)
-	HFI	BFI2	(1)
-	HFI	-	(1)

*The one day specified in the brackets includes the day of receiving the payment instruction by the territorial unit of the financial institution servicing the payer or, in the case when the payment instruction includes a mention on the payment instruction processing day, such processing day, during which the payment should be made to the beneficiary.

2. Payer and beneficiary are serviced by different financial institutions

1) Interbank transfers

Payment chain					Time Limit
<i>Without an intermediary (via Loro/Nostr accounts)</i>					
BB1	HB1	-	HB2	BB2	(1) +1*
-	HB 1	-	HB 2	-	(1)+1
BB1	HB 1	-	HB 2	-	(1)+1
-	HB 1	-	HB 2	BB 2	(1)+1
<i>Via an intermediary</i>					
BB1	HB 1	INT	HB 2	BB 2	(1)+1**
-	HB 1	INT	HB 2	-	(1)+1
BB1	HB 1	INT	HB 2	-	(1)+1
-	HB 1	INT	HB 2	BB 2	(1)+1

*The one day specified in the brackets includes the day of receiving the payment instruction by the territorial unit of the bank servicing the payer, while “+1” indicates that the payment to the beneficiary shall be made no later than the operational day following the day of receiving the payment instruction.

** The one day specified in the brackets includes the day of receiving the payment instruction by the territorial unit of the bank servicing the payer, while “+1” indicates that the payment to the beneficiary shall be made no later than the operational day following the day of receiving the payment instruction, if the account of the beneficiary’s bank at the intermediary bank is credited and the settlement is processed during the operational day of the bank servicing the beneficiary.

2) Transfer of funds via payment and settlement organizations

Payment chain							Time Limit
<i>Without an intermediary, between the bank servicing the payment and settlement organization and the bank servicing the beneficiary</i>							
BPO	HPO	BB1	HB1	-	HB2	BB2	(1) +2*
-	HPO	BB1	HB1	-	HB2	BB2	(1)+2
-	HPO	-	HB1	-	HB2	BB2	(1)+2

BPO	HPO	-	HB1	-	HB2	BB2	(1)+2
BPO	HPO	BB1	HB1	-	HB2	-	(1)+2
-	HPO	BB1	HB1	-	HB2	-	(1)+2
-	HPO	-	HB1	-	HB2	-	(1)+2
BPO	HPO	-	HB1	-	HB2	-	(1)+2
<i>Via an intermediary between the bank servicing the payment and settlement organization and the bank servicing the beneficiary</i>							
BPO	HPO	BB1	HB1	INT	HB2	BB2	(1)+2**
-	HPO	BB1	HB1	INT	HB2	BB2	(1)+2
-	HPO	-	HB1	INT	HB2	BB2	(1)+2
BPO	HPO	-	HB1	INT	HB2	BB2	(1)+2
BPO	HPO	BB1	HB1	INT	HB2	-	(1)+2
-	HPO	BB1	HB1	INT	HB2	-	(1)+2
-	HPO	-	HB1	INT	HB2	-	(1)+2
BPO	HPO	-	HB1	INT	HB2	-	(1)+2

* The one day specified in the brackets includes the day of receiving the payment instruction by the territorial unit of the payment and settlement organization servicing the payer, while “+2” indicates that the payment to the beneficiary shall be made no later than the second operational day following the day of receiving the payment instruction.

** The one day specified in the brackets includes the day of receiving the payment instruction by the territorial unit of the payment and settlement organization servicing the payer, while “+2” indicates that the payment to the beneficiary shall be made no later than the second operational day following the day of receiving the payment instruction, if the account of the beneficiary’s bank at the intermediary bank is credited and the settlement is processed during the operational day of the bank servicing the beneficiary.

3) Payments to the state or community budget of the Republic of Armenia

Payment chain					Time Limit	Payment chain
-	-	BB	HB	CB	T	(1) +1*
-	-	-	HB	CB	T	(1)+1
BPO	HPO	BB	HB	CB	T	(1)+2
-	HPO	BB	HB	CB	T	(1)+2
-	HPO	-	HB	CB	T	(1)+2
BPO	HPO	-	HB	CB	T	(1)+2

*The one day specified in the brackets includes the day of receiving the payment instruction by the territorial unit of the financial institution servicing the payer, while “+1” indicates that the account of the Treasury of the Republic of Armenia at the Central Bank shall be credited and the settlement shall be processed no later than the operational day following the day of receiving the payment instruction.