

CODE  
050.0055 N. 27.04.21

April 27, 2021 No 55-N

ON AMENDMENT TO REPUBLIC OF ARMENIA CENTRAL BANK BOARD  
RESOLUTION No 342-N of July 4, 2006

**With the view to identifying** cases of endangering the stability and (or) liquidity and (or) solvency of the financial system in the Republic of Armenia as a result of participation by banks and payment and settlement organizations of the Republic of Armenia in the foreign payment and settlement systems, through which payments are accepted and made by payment instrument (payment card, e-money, etc.);

**based on** Article 8.4 of the Law on Payment and Settlement Systems and Payment and Settlement Organizations; and

**pursuant to** Article 2.3 and Article 20 "e" of the Law on the Central Bank of the Republic of Armenia, Article 33.1 and Article 34 of the Law on Normative Legal Acts, Republic of Armenia Central Bank Board, herewith:

**Resolves:**

1. To rewrite the Annex approved by Republic of Armenia Central Bank Board Resolution No. 342-N of July 4, 2006 "On Approval of the Guideline On Endangering the Stability and/or Liquidity and/or Solvency of the Financial System in the Republic of Armenia as a Result of Participation in Foreign Payment and Settlement System" in accordance with the Annex to this Resolution.

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

Republic of Armenia  
Central Bank Governor

April 30, 2021

Yerevan

Martin Galstyan

**Annex**  
*to Republic of Armenia*  
**Central Bank Board Resolution**  
*No 55-N of April 27, 2021*

**“Annex**  
**to Republic of Armenia**  
**Central Bank Board Resolution**  
**No 342-N of July 4, 2006**

**GUIDELINE ON ENDANGERING THE STABILITY AND/OR LIQUIDITY AND/OR  
SOLVENCY OF THE FINANCIAL SYSTEM IN THE REPUBLIC OF ARMENIA AS A RESULT  
OF PARTICIPATION IN FOREIGN PAYMENT AND SETTLEMENT SYSTEM**

1. Guideline on endangering the stability and/or liquidity and/or solvency of the financial system in the Republic of Armenia as a result of participation in foreign payment and settlement system (Guideline) identifies cases of endangering the stability and/or liquidity and/or solvency of the financial system in the Republic of Armenia as a result of participation by banks and payment and settlement organizations of the Republic of Armenia in the foreign payment and settlement systems.
2. According to this Guideline, Armenian banks are banks and organizations operating in the territory of the Republic of Armenia, which are authorized to provide payment and settlement services on the basis of a license issued by the Central Bank of the Republic of Armenia (hereinafter, Central Bank), which have applied to the Central Bank for permission to participate in a foreign payment system are deemed Armenian participants (hereinafter, Armenian participant).
3. This Guideline does not apply to the relations pertaining to the implementation of the payment and settlement service defined by Article 17.1 "c" of the Law on Payment and Settlement Systems and Payment and Settlement Organizations "(hereinafter, Law) in cooperation with foreign payment and payment system operators.
4. With the view to applying the Law and Clause 1 of this Guideline, it is stipulated in case of identifying any of the grounds (cases) specified in paragraph 5 of this guideline as a result of exercising control over the Armenian participant; or issuing a permit to an Armenian participant to participate in a foreign payment system; or informing the Central Bank of any changes in the rules of the System operation by the Armenian participant; or obtaining information by the Central Bank otherwise, the Central Bank Board may reject participation

of the Armenian participant in a foreign payment system, suspend or revoke the participation permit that was issued by the Central Bank.

5. As a result of the participation of the Armenian participant in a foreign payment and settlement system, stability and/or liquidity and/or solvency of the Republic of Armenia financial system may be endangered in the presence of the following grounds (conditions):
  - 1) business activities of a foreign payment system operator (hereinafter, Operator) are regulated by the legislation of a country which, in accordance with the lists published by the authorized body, is a foreign country or territory that does not apply or improperly applies international requirements for combating money laundering and terrorist financing;
  - 2) foreign payment system operator or any of its owners is included in the lists of persons associated with the dissemination of terrorism or weapons of mass destruction as published by or in accordance with United Nations Security Council Resolutions;
  - 3) Operator will provide (provides) services in the Republic of Armenia through only one Armenian participant; or Operator sets (creates) unequal conditions for the participation of Armenian participants in the system compared to other countries; or Operator imposes unequal conditions of participation for different Armenian participants; or Operator's performance leads or may lead to the restriction of free economic competition. In case of existence of any of the grounds defined hereof, the Armenian participant or System Operator requesting permission to participate in the foreign payment and settlement system or participating in the system may submit a relevant substantiation on the inevitability or necessity of the grounds defined hereof. If these substantiations are accepted by the Central Bank, the grounds provided for hereof, shall not be deemed as grounds endangering the stability and/or liquidity and/or solvency of the Republic of Armenia financial system as a result of participation of the Armenian participant in a foreign payment system;
  - 4) rules of operation of the system adopted by a foreign payment system Operator and/or contract concluded between the Armenian participant and the Operator and/or another document, which regulates relations between the Armenian participant and the Operator:
    - a. define to deprive the Armenian participant of the right to participate in a foreign payment and settlement system, and at the same time the conditions (reasons, grounds) and procedures (including notification) of deprivation are not defined, or they are not clearly defined (may be interpreted ambiguously);
    - b. Armenian participant is prohibited from participating in other similar payment systems;
    - c. there is a lack of mechanisms to curb or limit liquidity, credit, settlement or operational risks, in the absence or inadequacy of which the Armenian participant may incur financial losses that could adversely affect other participants in the Armenian financial market or discredit its reputation;

d. grounds (conditions) for less than one month notification on canceling participation in the payment and settlement system or unilateral termination of the contract are defined, except for the following cases:

d1. failure to comply with its obligations by the Armenian participant;

d2. adoption of a decision by the competent authority of the country of Operator, which directly or indirectly obligates or otherwise obliges the Operator to deprive the Armenian participant of participation before one month period; or

d3. change of owners (shareholders) of the Armenian participant with more than 10% of the voting rights; or

d4. applying to a court with a request to declare an Armenian participant insolvent or bankrupt, or revoking the license (permit) to conduct financial activities.

6. In case of termination of the activity of a foreign payment and settlement system operator or settlement bank or appointment of interim administration, manager or other similar body by the competent body of their country, the Central Bank shall review further participation of Armenian participant in the foreign payment and settlement system in terms of endangering financial performance of the Armenian participant or stability and/or liquidity and/or solvency of the Republic of Armenia financial system.”