LAW

OF THE REPUBLIC OF ARMENIA

(Law edited by HO-113-N of 21 June 2014)

(Adopted on 26 May 2008)

ON COMBATING MONEY LAUNDERING AND TERRORISM FINANCING

1. The purpose of this Law is protecting the public safety, the economic and financial systems of the Republic of Armenia from the risks related to money laundering and terrorism financing, through the establishment of legal mechanisms to counter money laundering and terrorism financing.

CHAPTER 1

GENERAL PROVISIONS

Article 1. Subject matter of the law

1. This Law shall regulate the relations pertaining to the fight against money laundering and terrorism financing, establish the framework of the authorized bodies, institutions, and entities involved in the fight against money laundering and terrorism financing, the procedure and conditions for the cooperation thereof, as well as the issues related to the supervision exercised and responsibility measures applied in the field of combating money laundering and terrorism financing. This Law shall also regulate the relations pertaining to the freezing of property of persons associated with the proliferation of weapons of mass destruction.

(Article 1 supplemented by HO-139-N of 1 March 2018)

Article 2. Legal regulation of the fight against money laundering and terrorism financing

1. The fight against money laundering and terrorism financing shall be regulated by the international treaties of the Republic of Armenia, the Constitution of the Republic of Armenia, this Law, other laws of the Republic of Armenia, as well as, in the cases stipulated by this Law, other legal acts.

Article 3. Basic concepts used in the law

1. Within the meaning of this Law:
   1) ***Property*** shall be the property defined by Part 10 of Article 121 of the Republic of Armenia Criminal Code;
   2) ***Money laundering*** shall be the act stipulated by Article 296 of the Republic of Armenia Criminal Code;

2.1) ***Predicate offence*** shall be the offence, as a result of which the property was directly or indirectly received or generated;

3) ***Terrorism financing*** shall be the act stipulated by Article 310 of the Republic of Armenia Criminal Code;

3.1) ***Financing of proliferation of weapons of mass destruction*** shall be the provision or collection of property or provision of financial services for the purpose of committing the act stipulated by Article 153 of the Republic of Armenia Criminal Code;

4) ***Reporting entities*** shall be*:*

a. Banks;
b. Credit organizations;
c. Entities engaged in foreign currency exchange;
d. Entities engaged in money (currency) transfer services;
e. Entities providing investment services, in accordance with the Republic of Armenia Law on the Securities Market, except for the managers of corporate investment funds with respect to their activities of managing investment funds;
f. The Central Depositary, as stipulated by the Republic of Armenia Law on the Securities Market;
g. Insurance (including reinsurance) companies and entities providing intermediary insurance (including reinsurance) services;
h. Corporate investment funds, as well as non-public contractual investment funds — which do not have a manager — licensed by the Central Bank of the Republic of Armenia;
i. Pawnshops;
j. Entities engaged in realtor activities;
k. Notaries;
l. Attorneys, as well as sole practitioner lawyers and legal firms;
m. Sole practitioner accountants and accounting firms;
n. Auditing firms and auditors;
o. Dealers in precious metals;
p. Dealers in precious stones;
q. Dealers in works of art;
r. Organizers of auctions;
s. Organizers of casino, games of chance, including online games of chance, and lotteries;
t. Entities providing trust management and company registration services;
u. Credit bureaus, to which this law shall apply only to the extent of the obligation to report on suspicious transactions or business relationships as defined by

Articles 6-8, the obligation to register as defined by Part 5 of Article 9, and the responsibility defined by Points 2, 4, 5 and 6 of Part 4 of Article 30;

v. The authorized body in charge of maintaining the integrated state cadastre of real estate, to which this law shall apply only to the extent of the obligation to report as defined by Articles 6-8, the obligation to register as defined by Part 5 of Article 9, and the responsibility defined by Part 9 of Article 30;

w. The state authority in charge of registering legal persons (the state registry), to which this law shall apply only to the extent of the obligation to report as defined by Articles 6-8 in the cases specified under Part 4 of Article 6, as well as the obligations as defined by Part s 1 and 5 of Article 9, and the responsibility defined by Part 9 of Article 30;

5) ***Financial institutions*** shall be the reporting entities defined under Subpoints "a" to "i", Point 4 of this Part;

6) ***Non-financial institutions or entities*** shall be the reporting entities defined under Subpoints "j" to "t", Point 4 of this Part.

Articles 4, 23 and 25 of this Law shall apply only to those non-financial institutions or entities, which have more than 10 employees;

7) ***Authorized Body*** shall be the Central Bank of the Republic of Armenia;

8) ***Supervisory body*** shall be the competent body licensing (appointing, granting qualification to or otherwise permitting the activity of) and supervising the reporting entity;

9) ***Transaction*** shall be a transaction between the reporting entity and the customer or the authorized person, as well as between the customer or the authorized person and another person, which is concluded through the reporting entity or is a subject of review (monitoring) by the reporting entity. Any action resulting in the emergence, alteration or termination of rights and obligations based on or as a result of a specific transaction may also be considered as a transaction.

9.1) ***Wire transfer*** shall be any transaction carried out on behalf of an originator through a financial institution with a view to making an amount of funds available to a beneficiary person at a beneficiary financial institution, irrespective of whether the originator and the beneficiary are the same person;

10) ***Occasional transaction*** shall be a transaction, which does not result in an obligation to provide services on regular basis, and (or) does not imply the establishment of a business relationship;

11) ***Linked occasional transactions*** shall be occasional transactions with the same party having similar nature and occurring within 24 hours;

12) ***Business relationship*** shall be the services provided by the reporting entity to the customer on regular basis, which are not limited to one or several occasional transactions. A business relationship does not include those activities of the reporting entity, which are conducted by the reporting entity for its own needs and

are different from the activities defined by the law for the given type of reporting entity;

13) ***Customer*** shall be the person establishing or making use of an established business relationship with the reporting entity, as well as the person which offers the reporting entity to conduct, or conducts, an occasional transaction;

14) ***Beneficial owner*** shall be the natural person, on behalf or for the benefit of whom the customer ultimately acts; and (or) who ultimately (de facto) controls the customer or the person on behalf or for the benefit of whom the transaction is conducted or the business relationship is established. The beneficial owner of a legal person (except for a trust or another legal arrangement without the status of a legal person under foreign law) shall be the natural person, who:

a. Directly or indirectly holds 20 and more per cent of the voting stocks (issued stocks, shares) of the given legal person, or has 20 and more per cent direct or indirect participation in the authorized capital of the legal person;

b. Ultimately (de facto) exercises control over the given legal person through other means;

c. Is an official carrying out the overall or routine management of the given legal person, in case no natural person complying with the requirements of Subpoints "a" and "b" of this Point is identified;

15) ***Authorized person*** shall be the person authorized, by delegation and on behalf of the customer, to conduct a transaction or to take certain legal or factual actions in a business relationship, including the authorization to represent the customer through a letter of authorization or on any other basis defined by the law;

16) ***Legal person*** shall be an organization or establishment with the status of legal person under the Republic of Armenia and (or) foreign law, as well as a trust or another legal arrangement without the status of a legal person under foreign law;

(16.1) ***Trust*** shall be an organization with the status of a legal person or another legal arrangement without the status of a legal person under foreign law, where the trustee conducts transactions related to the property transferred to him by the settler of the trust under fiduciary obligations, for the benefit of the beneficiary of the trust;

17) ***Customer business profile*** shall be the totality of information (notions) of the reporting entity concerning the nature, impact, and significance of a customer's activities; the existing and expected dynamics, volumes, and areas of business relationships and occasional transactions; the nature of existence, identity, and interrelations of authorized persons and beneficial owners; as well as other facts and circumstances regarding the customer's activities;

18) ***Other party to transaction*** shall be the other participant in the transaction conducted by the customer, who provides (transfers) or to whom the property deriving from the transaction is channeled;

19) ***Customer due diligence*** shall be a process whereby the reporting entity applies the risk-based approach to obtain and analyze information (including documents) concerning the identity and business profile of the customer, with a view to gain appropriate knowledge about the customer, which shall include:
    a. Identifying and verifying the identity of the customer (including that of the authorized person and the beneficial owner),
    b. Understanding the purpose and intended nature of the transaction or business relationship;
    c. Conducting ongoing due diligence on the business relationship;
20) ***Risk*** shall be a circumstance indicating the threat and likelihood of money laundering and terrorism financing, which may be defined in terms of countries or geographic locations, types of customers, types of transactions or business relationships, types of services, or in terms of other parameters;
21) ***High-risk criterion*** shall be a criterion defined by this Law, the legal acts of the Authorized Body, as well as the internal legal acts of the reporting entity, which indicates a high likelihood of money laundering or terrorism financing; such criteria shall include politically exposed persons, who are potential or existing customers or beneficial owners; beneficiaries of life insurance policies; persons (including financial institutions), which are domiciled or reside in or are from non-compliant countries or territories; all complex or unusual large transactions, or unusual transactions or business relationships, which have no apparent economic or other lawful purpose. At that, in cases stipulated by the Authorized Body, the existence of a high risk criterion in a transaction or business relationship may be determined by combination of the defined criteria;
22) ***Enhanced customer due diligence*** shall be a process involving advanced application of customer due diligence by the reporting entity, whereby, in addition to the established due diligence measures, it is also necessary to, at minimum:
    a. Obtain senior management approval to establish a business relationship with the customer, to continue the business relationship, as well as when the customer or the beneficial owner is subsequently found to be characterized by high-risk criteria, or when the transaction or the business relationship is found to comprise such criteria;
    b. Take necessary measures to establish the source of funds and wealth of the customer, as well as the beneficial owner who is a politically exposed person;
    c. Examine, as far as possible, the background and purpose of the transaction or business relationship;
    d. Conduct enhanced ongoing monitoring of relationships with politically exposed persons;
23) ***Low-risk criterion*** shall be a criterion defined by this Law or the legal acts of the Authorized Body, which indicates a low likelihood of money laundering or terrorism financing; such criteria shall include financial institutions effectively

supervised for compliance with the requirements to combat money laundering and terrorism financing, government bodies, local self-government bodies, state non-commercial organizations, community administrative institutions, except for the bodies or organizations domiciled in non-compliant countries or territories. At that, in cases stipulated by the Authorized Body, the existence of a low risk criterion in a transaction or business relationship may be determined by combination of the established criteria;

24) ***Simplified customer due diligence*** shall be a process involving limited application of customer due diligence by the reporting agency, whereby the following information is gathered in the course of identification and verification of identity:
   a. For a natural person – forename, surname, and identification document data;
   b. For a legal person – company name and individual identification number (state registration, individual record number etc.);
   c. For a government body and a local self-government body – full official name;

25) ***Politically exposed person*** shall be an individual, who is a former or present high-level public official entrusted with prominent public, political, or social functions, as well as an official entrusted with prominent functions by an international organization (including his or her family members or close associates). At that, the definition of politically exposed persons shall not cover middle ranking or more junior individuals. In particular, the following shall be politically exposed persons:
   a. Heads of State, Heads of Government, Ministers and Deputy Ministers;
   b. Members of the Parliament;
   c. Judges, members of the Supreme Court, Constitutional Court, or any other high-level court, whose decisions are not subject to appeal except for the cases of appellation under special circumstances;
   d. Governor, Deputy Governors and Board Members of the Central Bank;
   e. Ambassadors, chargés d'affaires, and high-level military officers;
   f. Officials of political parties;
   g. Members of administrative, managerial, or supervisory bodies of state-owned organizations;
   h. Heads of local self-government bodies;
   i. Heads, deputy heads, board members of international organizations, or members of other administrative or supervisory bodies of international organizations entrusted with similar functions;

25.1) ***International organization*** shall be an entity established on the basis of a formal political agreement between member States that has the status of an international treaty, and which is not regarded as a resident institutional unit of the country in which it is located;

25.2) ***Family member*** shall be the person defined by Part 4 of Article 8 of the Republic of Armenia Law on Banks and Banking;

26) ***Non-compliant country or territory*** shall be a foreign country or territory that, according to the lists published by the Authorized Body, is in non-compliance or improper compliance with the international requirements on combating money laundering and terrorism financing;

27) ***Core of vital interests*** shall be the domicile of a person's family or economic interests. Family or economic interests may be domiciled in the place of the dwelling house (apartment) of the person, the place of residence of the person and (or) his family, the place of his (his family's) main personal or family property, or the place of conduct of his main economic (professional) activity;

28) ***Senior management*** shall be a body or employee of the reporting entity authorized to make decisions and take action on behalf of the reporting entity on matters relating to the prevention of money laundering, terrorism financing and financing of proliferation of weapons of mass destruction;

29) ***Internal monitoring unit*** shall be a division or staff member of the reporting entity performing the function of preventing money laundering, terrorism financing and financing for proliferation of weapons of mass destruction as provided for under this Law and the legal acts of the Authorized Body, except for the divisions or employees as determined by the Authorized Body, as well as a reporting entity, which acts as a sole functionary. In the cases and manner determined by the Authorized Body, the functions of the internal monitoring unit of the reporting entity may be delegated to a specialized professional entity;

30) ***Suspicious transaction or business relationship*** shall be a transaction or business relationship, including an attempted transaction or business relationship, whereby it is suspected or there are reasonable grounds to suspect that the property involved is the proceeds of a criminal activity or is related to terrorism, terrorist acts, terrorist organizations or individual terrorists, or to those who finance terrorism, or was used in or is intended to be used for terrorism, or by terrorist organizations or individual terrorists, or by those who finance terrorism;

31) ***Criterion for suspicious transaction or business relationship*** shall be a situation or signal alerting to the possibility of money laundering or terrorism financing, as defined by the legal acts of the Authorized Body, as well as the internal legal acts of the reporting entity;

32) ***Typology*** shall be a possible scheme articulating the logic and sequence of actions and (or) steps aimed at money laundering and terrorism financing, as defined by the legal acts of the Authorized Body, as well as the internal legal acts of the reporting entity;

33) ***Person associated with terrorism*** shall be any individual terrorist, including the persons suspected in, accused in, or convicted for committed or attempted terrorism (including accomplices of any type), or any terrorist organization, the persons associated with them, any other person acting in their name, on their behalf, or under their direction, or directly or indirectly owned or controlled by

them, which have been included in the lists published by or in accordance with the United Nations Security Council resolutions, or by the Authorized Body;

33.1) ***Person associated with the proliferation of weapons of mass destruction*** shall be any person who has been included in the lists published by or in accordance with the United Nations Security Council resolutions prescribing targeted financial sanctions for proliferation of weapons of mass destruction and/or financing it;

34) ***Suspension of transaction or business relationship*** shall be imposing a provisional prohibition on the factual and legal movement of the property involved in a suspicious transaction and (or) business relationship;

35) ***Rejection of transaction or business relationship*** shall be non-performance of the actions stipulated for conduction of a transaction or establishment of a business relationship;

36) ***Termination of transaction or business relationship*** shall be the disruption of conducting a transaction or implementation of a business relationship;

37) ***Freezing of property*** shall be imposing, for an indefinite term, a prohibition on the factual and (or) legal movement of the property directly or indirectly owned or controlled by persons associated with terrorism or proliferation of weapons of mass destruction; this includes prohibition on direct or indirect possession, use, or disposal of the property, as well as on establishment of any business relationship (including provision of financial services) or conduction of occasional transactions;

38) ***Securities*** shall be the securities defined by the Republic of Armenia Civil Code, including bonds, cheques (cheque books), bills of exchange (payment notes), issued stocks, bills of lading, bank records (bank books, bank certificates), warehouse certificates and other securities as defined by other laws;

39) ***Shell bank*** shall be a bank that, while founded, registered, licensed or otherwise incorporated in a certain country, has no mind and management, physical presence or factual activities on its territory, and is unaffiliated with a regulated group of financial institutions subject to effective consolidated supervision;

40) ***Payable-through account*** shall be a correspondent account opened with a financial institution and used directly by the customers of the respondent financial institution to transact business on their own behalf;

41) ***Financial group*** shall be a group comprising a legal person, which exercises control over and coordinates functions of the members of the group (including the branches and (or) representations that are subject to anti-money laundering and counter terrorism financing policies and procedures at the group level) involved in activities specified under Subpoints “a”, “e”, “f”, or ”g”, Point 4 of Part 1 of Article 3 of this Law, for the application of effective consolidated supervision at the group level.

42) ***Lists published by or in accordance with the United Nations Security Council resolutions*** shall be the lists of persons associated with terrorism or proliferation

of weapons of mass destruction, published by or in accordance with the resolutions of the Security Council of the United Nations Organization.

(Article 3 supplemented, amended by HO-139-N of 1 March 2018, supplemented by HO-55-N of 17 January 2018, amended by HO-51-N of 21 January 2020, HO-187-N of 25 March 2020, supplemented, amended, edited by HO-296-N of 30 June 2021, amended by HO-179-N of 9 June 2022)

CHAPTER 2

PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING, AS WELL AS FINANCING OF PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

(Title edited by HO-296-N of 30 June 2021)

Article 4. Application of risk-based approach by reporting entities

1. Financial institutions and non-financial institutions or entities should identify and assess their potential and existing risks of money laundering and terrorism financing, as well as financing of proliferation of weapons of mass destruction, and should have policies, controls, and procedures enabling them to effectively manage and mitigate identified risks.
2. When assessing the risks of money laundering and terrorism financing, as well as financing of proliferation of weapons of mass destruction, financial institutions and non-financial institutions or entities should consider all relevant risk factors before determining the level of overall risk and the appropriate level of mitigation to be applied; subsequently, they may differentiate the extent of applied measures, depending on the type and the level of risk.
3. Financial institutions and non-financial institutions or entities should regularly, but at least once in a year, review their potential and existing risks of money laundering and terrorism financing, as well as financing of proliferation of weapons of mass destruction.
4. Among other money laundering and terrorism financing risks, financial institutions and non-financial institutions or entities should identify and assess those potential and existing risks, which may arise in relation to the development of new products or new business practices, as well as to the use of new or developing technologies.
5. Financial institutions and non-financial institutions or entities should identify and assess money laundering and terrorism financing risks, as stipulated under Part 4 of this Article, prior to the launch of new products or business practices, or the use of new or developing technologies.

(Article 4 supplemented by HO-139-N of 1 March 2018, HO-296-N of 30 June 2021)

Article 5. Submission of classified information

1. Reporting entities shall be obligated to submit to the Authorized Body information on money laundering and terrorism financing as defined by this Law and the legal acts adopted on the basis thereof, including classified information as defined by the law.

2. Notaries, attorneys, as well as sole practitioner lawyers and legal firms, sole practitioner accountants and accounting firms, auditing firms and auditors shall submit to the Authorized Body the information defined by this Law only in the cases when doing so does not contradict the confidentiality requirements as defined by the laws regulating their activities. Legally defined confidentiality requirements for non-financial institutions or entities shall be applicable only to the information received from the client or from other sources in performing their legally prescribed task of defending or representing the client in judicial, administrative, arbitration or mediation proceedings, as well as of providing legal advice, except for the cases when the client receives advice for money laundering or terrorism financing purposes.

Article 6. Transaction or business relationship subject to reporting

1. Reporting entities shall file reports with the Authorized Body on suspicious transactions or business relationships and (or) on transactions subject to mandatory reporting.
2. Reports on suspicious transactions or business relationships shall be filed by all reporting entities, as per the types of transactions or business relationships determined for each reporting entity, regardless of the amounts involved, except for the cases defined under Point 5 of Part 4 of this Article.
3. Reports on transactions subject to mandatory reporting shall be filed by the following reporting entities, as per certain types of transactions and thresholds, in particular:
   1) For financial institutions – non-cash transactions at an amount of or above AMD 20 million, as well as cash-related transactions at an amount of or above AMD 5 million;
   2) For notaries, organizers of casino, games of chance, including online games of chance, and lotteries, the state authority in charge of registering legal persons (the State Registry), as well as the authorized body in charge of maintaining the integrated state cadastre of real estate – transactions at an amount of or above AMD 20 million, except for transactions of buying and selling real estate, which shall be reported if concluded at an amount of or above AMD 50 million. Transactions defined under this point, when made in cash, shall be reported if concluded at an amount of or above AMD 5 million.
4. Reporting obligation under Parts 2 and (or) 3 of this Article shall apply to the reporting entities specified under Points 1-5 of this Part in the following cases:
   1) For notaries, attorneys, as well as sole practitioner lawyers and legal firms, sole practitioner accountants and accounting firms, auditing firms and auditors – only in connection with preparing for or carrying out the following types of transactions or business relationships:
      a. Buying and selling of real estate;
      b. Managing of client property;
      c. Management of bank and securities accounts;

d. Provision of property for the creation, operation, or management of legal persons;

e. Carrying out functions involving the creation, operation, or management of legal persons, as well as the alienation (acquisition) of stocks (equity interests, shares and the like) in the statutory (equity and the like) capital of legal persons, or the alienation (acquisition) of issued stocks (equity interests, shares and the like) of legal persons at nominal or market value;

2) For organizers of casino, games of chance, including online games of chance, and lotteries – only when they:

a. Purchase casino chips (lottery tickets);

b. Accept wagers;

c. Pay out or provide winnings;

d. Carry out financial transactions related to Subpoints "a" to "c" of this point;

3) For entities providing trust management and company registration services – only when they:

a. Act as a formation agent (representative) of legal persons in rendering company registration services;

b. Act (arrange for another person to act) as an executive officer (member of executive body) of a company, a partner of a partnership, or perform similar functions of a legal person's management;

c. Provide a registered office (business address, correspondence or administrative address) to a legal person;

d. Act (arrange for another person to act) as a trustee of an express trust or perform the equivalent function for another form of legal arrangement;

e. Act (arrange for another person to act) as a nominee shareholder for another legal person;

4) For the state authority in charge of registering legal persons (the State Registry) – only with regard to the state registration of the alienation (acquisition) of stocks (equity interests, shares and the like) in the statutory (equity and the like) capital of legal persons, or of the formation of, or changes in, the statutory (equity and the like) capital thereof;

5) For dealers in precious metals and dealers in precious stones – only with regard to cash transactions at an amount of or above AMD 5 million.

5. Reporting entities, their employees (executives) shall be prohibited from disclosing ["tipping-off"] to the person — with regard to whom a report or other information is being filed with the Authorized Body — as well as to other persons (with an exception to a member of a financial group in case of a financial group), the fact that such a report or other information is being filed or not filed, including the fact of receiving or not receiving the assignments in accordance with Point6 of Part 1 of Article 10 of this Law.

6. The Authorized Body shall determine, as per certain types of transactions, cases and (or) thresholds, the cases of releasing from the reporting obligation specified under Part 3 of this Article.

(Article 6 supplemented, amended, edited by HO-296-N of 30 June 2021)

Article 7. Recognition of transaction or business relationship as suspicious

1. Reporting entities should recognize a transaction or business relationship, including an attempted transaction or business relationship, as suspicious and file with the Authorized Body a report on suspicious transaction or business relationship as stipulated under Article 8 of this Law, if it is suspected or there are reasonable grounds to suspect that the property involved is the proceeds of a criminal activity or is related to terrorism, terrorist acts, terrorist organizations or individual terrorists, or to those who finance terrorism, or was used in or is intended to be used for terrorism, or by terrorist organizations or individual terrorists, or by those who finance terrorism.
2. Reporting entities should consider recognizing a transaction or business relationship as suspicious and filing with the Authorized Body a report on suspicious transaction or business relationship as stipulated under Article 8 of this Law, if the circumstances of the case under consideration fully or partially match the criteria or typologies of suspicious transactions or business relationships, or if it becomes clear for the reporting entity that, although there is no suspicion arising from a specific criterion or typology of a suspicious transaction or business relationship, the logic, pattern (dynamics) of implementation or other characteristics of the performed or attempted transaction or business relationship provide the grounds to assume that it may be carried out for the purpose of money laundering or terrorism financing.
3. In the cases defined by Part 2 of this Article, if relevant consideration does not result in recognizing a transaction or business relationship as suspicious and filing with the Authorized Body a report on suspicious transaction or business relationship as stipulated under Article 8 of this Law, the grounds for non-recognition of the transaction or business relationship as suspicious, the respective conclusions, the process of conducted analysis and its findings shall be documented and maintained in the manner and timeframe established by this Law.

Article 8. Content and procedure for submission of report on transaction subject to mandatory reporting and on suspicious transaction or business relationship

1. The report on a transaction subject to mandatory reporting and on a suspicious transaction or business relationship shall contain the following:
   1) Data on the customer, the authorized person, the other party to the transaction; and in case of a suspicious transaction – also data on the beneficial owner, including:

a. For natural persons and sole practitioners – forename, surname, citizenship, registration address (if available) and place of residence, year, month, and date of birth, serial and numerical number of the identification document, and year, month, and date of its issuance; and for sole practitioners – also the number of registration certificate and the taxpayer identification number;

b. For legal persons – company name, registered office, individual identification number (state registration, individual record number etc) and, if available, the taxpayer identification number;

c. In case of reporting by financial institutions – also the bank account number of the customer;

2) Description of the subject of the transaction or business relationship;

3) Amount of the transaction;

4) Date of conducting the transaction or establishing the business relationship.

2. The report on suspicious transaction or business relationship shall also contain a description of the suspicion and, if available, the criteria and (or) typology used for recognizing the transaction or business relationship as suspicious, as well as an indication of whether the transaction or business relationship has been suspended, rejected, or terminated, or whether the property of persons associated with terrorism or with proliferation of weapons of mass destruction has been frozen.

3. Submitted reports shall have an assigned sequential number and bear the signature of the internal monitoring unit – in case of financial institutions and non-financial institutions or entities, or of the responsible official – in case of reporting entities specified under Subpoints "u" to "w" of Point4 of Part 1 of Article 3 of this Law. The report shall indicate the registration number of the reporting entity with the Authorized Body.

4. Where a government body or a local self-government body acts as the customer, the authorized person, or the other party to the transaction or business relationship, the report shall indicate only the full official name and the country of such body.

5. The Authorized Body shall establish the templates, procedure, and timeframes of reporting as per each type of reporting entity, as well as exclusions from the information to be included in the reports under this Article.

(Article 8 supplemented by HO-139-N of 1 March 2018, amended by HO-401-N of 24 October 2018)

Article 9. Procedures for state registration of legal persons, registration of changes, and licensing of financial institutions, as well as obligation of reporting entities to register

1. (The part lost its force by HO-253-N of 3 June 2021)

2. (The part lost its force by HO-253-N of 3 June 2021)

3. In the course of licensing (appointing, granting qualification to or otherwise permitting the activity of) a financial institution, the supervisory body shall be obligated to require information (including documents), as determined by the Authorized Body, and to check veracity of such information.
4. Within 15 days after licensing (appointing, granting qualification to or otherwise permitting the activity of) a reporting entity or terminating its license (appointment, granted qualification, or other permission of activities), the supervisory body shall be obligated to notify the Authorized Body on that matter.
5. Within 1 month after being licensed (appointed, qualified, or otherwise permitted to conduct activities), reporting entities (except for financial institutions) shall be obligated to register with the Authorized Body in the manner established by the Authorized Body.
6. Financial institutions shall be obligated to register with the Authorized Body in the manner established by the Authorized Body.

(Article 9 edited, amended by HO-253-N of 3 June 2021)

CHAPTER 3
AUTHORIZED BODY

Article 10. Authorized Body

1. The Authorized Body shall have the following powers:
   1) Receive reports and other information (including documents) from reporting entities; receive information (including documents) from state bodies;
   2) Analyze the received reports and information (including documents);
   3) Submit a notification to authorities involved in operational intelligence activities, as well as to public participants in proceedings in the cases stipulated by Article 13 of this Law;
   4) Request and obtain from reporting entities other information (including documents) relevant to the purposes of this Law, including classified information as defined by the law, except for the cases specified under Part 2 of Article 5 of this Law;
   5) Request from state bodies, including supervisory bodies and authorities involved in operational intelligence activities, as well as from public participants in proceedings information (including documents) relevant to the purposes of this Law, including classified information as defined by the law;
   6) Give assignments with a view to ensure the reporting entities' proper implementation of the obligations under this Law and the legal acts adopted on the basis thereof (in case of non-financial institutions or entities, which have supervisory bodies – through such bodies), including assignments to recognize as suspicious, to suspend, reject or terminate a transaction or business relationship

based on identification data, criteria, or typologies of suspicious transactions or business relationships as provided by the Authorized Body;

7) Adopt legal acts, as defined by this Law, in the field of combating money laundering and terrorism financing, as well as approve guidelines expounding implementation procedures of such acts, including those on the criteria and typologies of suspicious transactions or business relationships;

8) Supervise the reporting entities in the cases and manner established by this Law; assist supervision activities of other supervisory bodies, including the solicitation to apply responsibility measures;

9) Determine the cases of and the periodicity for conducting internal audit by financial institutions aimed at preventing money laundering and terrorism financing; require conduction of external audit;

10) Apply responsibility measures defined by this Law and the Republic of Armenia Code of Administrative Violations for the involvement in money laundering or terrorism financing by legal persons, as well as by the reporting entities, for which there is no legally defined supervisory body or a legislative regulatory framework for the supervisory body to perform the functions assigned to it in the field of combating money laundering and terrorism financing;

11) Suspend a suspicious transaction or business relationship; freeze the property of persons associated with terrorism or proliferation of weapons of mass destruction;

12) Develop, review, and publish the lists of persons associated with terrorism in accordance with Part 2 of Article 28 of this Law;

13) Regularly provide the reporting entities with information (feedback) on the reports submitted by the reporting entities, in the manner established by the Authorized Body;

14) Organize trainings in the field of combating money laundering and terrorism financing, as well as award qualifications to the employees of internal monitoring units of financial institutions as defined by Part 2 of Article 24 of this Law;

15) Publish annual reports on its activities;

16) Raise public awareness on combating money laundering and terrorism financing;

17) Conclude agreements of cooperation with international institutions and foreign financial intelligence bodies in the manner established by Article 14 of this Law; exchange information (including documents) relevant to the purposes of this Law, including classified information as defined by the law;

18) Publish the lists of non-compliant countries or territories, based on data publicized by international institutions active in the field of combating money laundering and terrorism financing and (or) by foreign countries, with the consent of the body authorized in the area of foreign affairs of the Republic of Armenia;

19) Give assignments to reporting entities on taking relevant measures with regard to persons (including financial institutions), which are domiciled or residing in or are from non-compliant countries or territories;

20) Exercise other powers as defined by this Law.

2. For the purposes of this Law, a responsible structural unit – the Financial Monitoring Center – shall operate within the Authorized Body which, pursuant to its Charter approved by the supreme management body of the Authorized Body and to other legal acts, shall exercise the powers as defined for the Authorized Body by Part 1 of this Article, except for the powers reserved for the supreme management body and the highest-level official of the Authorized Body.

3. The supreme management body of the Authorized Body shall approve the statute, the operations plan, and the budget of the Financial Monitoring Center, and shall exercise the powers defined by Point 9 of Part 1 of this Article.

4. The power defined by Point 7 of Part 1 of this Article shall be exercised by the supreme management body and the highest-level official of the Authorized Body in the manner established by the legislation; and the power defined by Point 10 and that of Point 11 of Part 1 of this Article — to freeze the property of persons associated with terrorism or proliferation of weapons of mass destruction — shall be exercised by the supreme management body.

5. The supreme management body of the Authorized Body shall appoint and dismiss the head and the employees of the Financial Monitoring Center.

6. The Financial Monitoring Center shall present reports on its activities to the supreme management body of the Authorized Body at the periodicity and in the manner established by that body.

7. The Financial Monitoring Center should ensure the conditions necessary for safekeeping the information received, analyzed, and disseminated under this Law. Such information may only be accessible for competent bodies or persons in the manner prescribed by the law.

8. Employees of the Financial Monitoring Center which have access to received, analyzed, and disseminated information shall maintain confidentiality of classified information in the manner prescribed by the law and the legal acts of the Authorized Body, both in the course of performing their duties and after termination thereof, as well as shall be subject to responsibility under law for unauthorized disclosure of information. Such information may be used only for the purposes of this Law.

(Article 10 supplemented, amended by HO-139-N of 1 March 2018, HO-296-N of 30 June 2021, amended by HO-179-N of 9 June 2022)

Article 11. Normative legal acts adopted by Authorized Body

1. For the purposes of this Law, normative legal acts adopted by the Authorized Body may establish the following in the field of combating money laundering and terrorism financing:

1) Minimum requirements with regard to the procedure for performing the functions of the management bodies of the reporting entity, including the internal monitoring unit;
2) Minimum requirements with regard to customer due diligence (including enhanced and simplified due diligence) conducted by the reporting entity; to collecting, recording, maintaining, and updating information (including documents);
3) Minimum requirements with regard to the periodicity and the cases of due diligence conducted by the reporting entity for existing customers;
4) Procedure for the approval and amendment of internal legal acts of the reporting entity; minimum requirements with regard to internal legal acts;
5) Cases and periodicity of conducting internal audit of the reporting entity, as well as procedure for commissioning external audit;
6) Cases for the reporting entity to submit the electronic version of the reports on transactions subject to mandatory reporting and on suspicious transactions or business relationships; reporting templates, procedure and timeframes as per types of reporting entities, as well as cases of determining exclusions for including information defined by Article 8 of this Law in the report;
7) Procedure for registration of the reporting entity with the Authorized Body;
8) Information (including documents) required by the supervisory body in the process of licensing (appointing, granting qualification to or otherwise permitting the activity of) a financial institution;
9) Form, procedure, and timeframes for filing the declaration on beneficial owners with the state authority in charge of registering legal persons (the State Registry);
10) Criteria for high and low risk of money laundering and terrorism financing, and procedure for determining thereof;
11) Content, templates, procedure, and timeframes for filing information to the Authorized Body by customs authorities in case of the import, export, or transit of currency and payment instruments;
12) Minimum requirements with regard to the process of review (conduction of analysis) by the reporting entity for recognizing transactions or business relationships as suspicious;
13) Qualification procedure and professional competence criteria for the employees of the internal monitoring unit of reporting entities; exclusions with regard to delegating the functions of the internal monitoring unit to other units or employees of reporting entities, as well as the cases and procedure for delegating the functions of the internal monitoring unit to a specialized professional entity;
14) Procedure for collection of statistical information from state bodies; forms and timeframes for collection thereof;

15) Procedure for considering petitions on delisting the persons included in the lists stipulated under Part 2 of Article 28 of this Law; procedure for unfreezing the property of persons associated with terrorism;

16) Minimum requirements with regard to the selection, training, and qualification of the respective employees of reporting entities with competencies in the prevention of money laundering and terrorism financing;

17) Procedure and conditions for declaring transportation, delivery, import and export of bearer securities through the customs border;

18) Minimum requirements with regard to fulfilling obligations as defined by this Law.

2. Normative legal acts regulating activities of non-financial institutions or entities shall be agreed with the respective supervisory bodies.

(Article 11 amended by HO-296-N of 30 June 2021)

(Article will enter into force on 1 January 2023, with amendments of Law HO-253-N of 3 June 2021)

Article 12. Protection of information

1. The Authorized Body shall be prohibited to disclose any information received, analyzed or disseminated by it, including the information on the persons having filed with the Authorized Body a report on suspicious transaction or business relationship, or any other information, and (or) having participated in the filing of such information, or having been involved in the submission of a notification by the Authorized Body to authorities involved in operational intelligence activities, as well as to public participants in proceedings. This prohibition shall apply to the disclosure of information either verbally or in writing, by making it known to third parties through the mass media or through other means, or allowing direct or indirect access of third parties to such information, except for the cases stipulated by this Law.

2. The information received and maintained by the Authorized Body relevant to the purposes of this Law, as well as other data accessible to the Authorized Body cannot be provided or used for any purpose unrelated to the fight against money laundering and terrorism financing. In cases stipulated by this Law, notifications and other information submitted by the Authorized Body to authorities involved in operational intelligence activities, as well as to public participants in proceedings shall be considered as intelligence data and may be used only in the manner established by the legislation, and may not be provided to third parties, except for authorities involved in operational intelligence activities, as well as for public participants in proceedings.

(Article 12 amended by HO-296-N of 30 June 2021, amended by HO-179-N of 9 June 2022)

CHAPTER 4

COOPERATION FOR PURPOSES OF THE LAW

Article 13. Interaction between Authorized Body and other bodies

1. In order to effectively combat money laundering and terrorism financing, the Authorized Body shall cooperate with other state bodies, including supervisory bodies and authorities involved in operational intelligence activities, as well as public participants in proceedings, in the manner and within the framework established by this Law, by means of concluding bilateral agreements, or without doing so.
2. The Authorized Body shall cooperate with supervisory bodies in the manner established under Article 29 of this Law, to ensure compliance of the reporting entities with the requirements of this Law and the legal acts adopted on the basis thereof.
3. The Authorized Body shall submit a notification to authorities involved in operational intelligence activities, as well as to public participants in proceedings when, based on the analysis of a report filed by a reporting entity or of other information in the manner established by this Law, it arrives at a conclusion on the presence of reasonable suspicions of money laundering or terrorism financing, or such reasonable suspicions on a predicate offence that could result in money laundering. Along with the notification or, subsequently, in addition to it the Authorized Body may on its own initiative submit to authorities involved in operational intelligence activities, as well as to public participants in proceedings further information related to the circumstances described in the notification. The notification or the additionally submitted information may contain classified information as defined by the law.
4. Upon the request of authorities involved in operational intelligence activities, as well as of public participants in proceedings the Authorized Body shall provide the available information, including classified information as defined by the law, provided that the request contains sufficient substantiation of a suspicion or a case of money laundering or terrorism financing, or of a suspicion or a case of predicate offence, which could result in money laundering in the opinion of the Authorized Body. Such information shall be provided within a 10-day period, unless a different timeframe is specified in the request or, in the reasonable judgment of the Authorized Body, a longer period is necessary for responding to the request.
5. Where information specified under Points 4 and 5 of Part 1 of Article 10 of this Law is requested, reporting entities, state bodies, including supervisory bodies and authorities involved in operational intelligence activities, as well as public participants in proceedings should provide such information to the Authorized Body within a 10-day period, unless a different timeframe is specified in the request or, in the reasonable judgment of the state body, a longer period is necessary for responding to the request. Authorities involved in operational intelligence activities, as well as public participants in proceedings shall provide information comprising investigation data forbidden for publication, provided that the request of the Authorized Body contains sufficient substantiation of a suspicion or a case of money laundering or terrorism financing.
6. Authorities involved in operational intelligence activities, as well as public participants in proceedings shall inform the Authorized Body about the decisions taken as a result of the review of notifications defined by Part 3 of this Article and information defined by

Part 4 of this Article, as well as about the decisions taken as a result of the investigation where proceedings are instituted, within a 10-day period after taking such decisions.

7. Within 3 business days after being notified that the customs authority suspended transportation of currency and (or) bearer securities through the customs border, the Authorized Body shall be obligated to advice the customs authority on lifting the suspension, or to submit a notification to law enforcement bodies. In case of submitting a notification, the Authorized Body shall provide information substantiating the potential link between the suspended currency and (or) bearer securities and money laundering or terrorism financing. The Authorized Body shall without delay advice the customs authority on submitting the notification.

8. State bodies involved in combating money laundering and terrorism financing should summarize and, in the manner, form, and timeframes established by the Authorized Body, submit to the Authorized Body regular statistics to include:

   1) The number and description of criminal proceedings instituted with features of money laundering and terrorism financing, as well as of the offences predicate to money laundering as per the list developed by the Authorized Body and agreed with the Republic of Armenia Prosecutor's Office;

   2) The value of the property seized or arrested in the course of investigation of criminal proceedings instituted with features of money laundering and terrorism financing, on a case-by-case basis;

   3) The number of criminal proceedings instituted with features of money laundering and terrorism financing, criminal prosecution of which has been terminated, as well as the grounds for such termination;

   4) The number and description of criminal proceedings instituted with features of money laundering and terrorism financing, which have passed to the phase of judicial trial;

   5) The number of court decisions (convictions and acquittals) regarding criminal cases instituted with features of money laundering and terrorism financing and of other related crimes; the penalties imposed, as well as the value of confiscated property;

   6) Information on the requests received and sent within international legal assistance regarding criminal proceedings on money laundering and terrorism financing;

   7) Information on inspections of reporting entities that are not supervised by Authorized Body on their compliance with the legislation on combating money laundering and terrorism financing, as well as on responsibility measures for non-compliance or inadequate compliance with the legislation.

(Article 13 supplemented by HO-296-N of 30 June 2021, amended by HO-179-N of 9 June 2022)

Article 14. International cooperation

1. The Authorized Body and relevant state bodies shall cooperate with international institutions and relevant bodies of foreign countries (including foreign financial intelligence bodies) involved in combating money laundering and terrorism financing within the framework of international treaties or, in the absence of such treaties, in accordance with international practice.
2. The Authorized Body shall, on its own initiative or upon request, exchange information (including documents), including classified information as defined by the law, with foreign financial intelligence units, which, based on bilateral agreements or commitments ensuing from membership in international institutions, ensure an adequate level of confidentiality of the information and use it exclusively for the purposes of combating money laundering and terrorism financing.
3. The Authorized Body shall not be authorized to disclose to any third party the information received within the framework of international cooperation, as well as to use it or share it for criminal prosecution, administrative, or judicial purposes, without the prior consent of the foreign institution or body having provided such information.
4. For the purposes of this Article, the Authorized Body shall be authorized to conclude agreements of cooperation with foreign financial intelligence bodies.

CHAPTER 5

CUSTOMER DUE DILIGENCE, RELATED OBLIGATIONS AND RETENTION OF INFORMATION

Article 15. Restriction on certain types of transactions and operations

(Title edited by HO-139-N of 1 March 2018)

1. In the Republic of Armenia, it shall be prohibited to open, issue, provide or serve:
   1) Anonymous accounts or accounts in fictitious names;
   2) Accounts with only numeric, alphabetic, or other conventional symbolic expression;
   3) Bearer securities.
2. In the Republic of Armenia, it shall be prohibited to establish or run shell banks.
3. In the Republic of Armenia, in case of transactions of buying and selling immovable property with an amount above AMD 50 million, it shall be prohibited to make cash payments for the exceeding amount, unless a threshold less than AMD 50 million is defined by law.

(Article 15 edited, supplemented by HO-139-N of 1 March 2018)

Article 16. Customer due diligence

1. The reporting entity may establish a business relationship or conduct an occasional transaction with a customer only after obtaining information (including documents) defined by Part 4 of this Article for identification of the customer and after verifying the customer's identity. The reporting entity may verify the customer's identity, based on the identification information required by this Law, also in the course of establishing a business relationship or thereafter within a reasonable timeframe, but no more than

within a seven-day period, provided that the risk is effectively managed and that this is necessary not to interrupt the normal conduct of business relationships with the customer.

2. The reporting entity should undertake customer due diligence when:
   1) Establishing a business relationship;
   2) Conducting an occasional transaction (linked occasional transactions), including domestic or international wire transfers, the amount whereof shall be equal to or above 400-fold of the minimal salary, unless another stricter provision is defined by the legislation;
   3) There are suspicions about veracity or adequacy of previously obtained customer identification data (including documents);
   4) There are suspicions of money laundering or terrorism financing.
3. The reporting entities stipulated by Part 4 of Article 6 of this Law shall undertake customer due diligence defined under this Article in the cases stipulated by Part 4 of Article 6; at that, organizers of casinos, games of chance, including online games of chance, and lotteries shall undertake it with regard to any transaction (linked occasional transactions) stipulated by the same Part and equal to or above AMD 1 million (except when there are suspicions of money laundering or terrorism financing, in which case customer due diligence shall be undertaken irrespective of the designated threshold), as well as in the cases stipulated by Points 1 and 3 of Part 2 of this Article, whereas entities engaged in realtor activities shall undertake it with regard to transactions or business relationships related to buying and selling immovable property, unless another stricter provision is defined by the legislation.
4. The reporting entity shall identify the customer and verify the identity thereof based on the reliable and valid documents and other information provided by a competent state body. At that:
   1) The information being obtained for the natural person or the individual entrepreneur based on the identification document or other official documents exceptionally bearing a photograph should at least include the person's name and surname, citizenship, registration address (if available), the date and place of birth, the serial and numerical number of the identification document, the date of issue, and for the individual entrepreneur, also the registration number and the taxpayer identification number, as well as other information defined by law. The reporting entity should also establish the customer's place of residence;
   2) The information being obtained for legal persons based on the state registration document or other official documents should at least include the legal person's name, registered office, place of business (where it differs from the legal person's registered office), charter or other similar document, identification number (state registration, individual record number, etc.), executive officer's (member of executive body) name and surname and, if available, the taxpayer identification number, as well as other information defined by law;

3) The information being obtained for the state body or local self-government body should at least include the full official name and the country of the state body or local self-government body.

5. The reporting entity should establish whether the customer acts on behalf and/or for the benefit thereof, or another person. The reporting entity should:
   1) Identify the authorized person (if available), verify the identity and the authority thereof to act on behalf of the customer, in accordance with Parts 1-4 and 8 of this Article;
   2) Identify the beneficial owner and undertake reasonable measures to verify the identity of the beneficial owner, using reliable source information; at that, for the legal organization or institution with the status of a legal person under the legislation of the Republic of Armenia and/or the foreign law — as defined by Subpoints “a”, “b” and “c” of Point 14 of Part 1 of Article 3 of this Law.

5.1. According to Subpoint 2 of Part 5 of this Article, the measures, conclusions and their substantiations made by the reporting entity to identify the customer’s beneficial owner and to verify the identity thereof shall be documented and retained in the manner and timeframes defined by this Law.

6. In case of legal entity customers, the reporting entity should have complete information on the ownership and control structure of that legal person.

6.1. In case of customers that are trust or another legal arrangement without the status of a legal person under foreign law, the reporting entity — for identifying the customer’s beneficial owner and verifying the identity of the beneficial owner by undertaking reasonable measures — should have complete information on its founders, managers, beneficiaries (including class of beneficiaries), advocate of interests (if available) and another natural person exercising actual (de facto) control, or the person performing similar functions, and on the authorities thereof.

7. The reporting entity should understand the customer's business profile, the purpose and intended nature of the transaction or the business relationship, as well as, upon necessity, obtain information on the purpose and intended nature of the transaction or the business relationship.

7.1. When conducting a transaction or establishing business relationship with the reporting entity in the cases defined by Points 1 or 2 of Part 2 of this Article, the customer that is trustee (including non-financial institution) shall be obliged to reveal its status.

8. When conducting the activities stipulated by Subpoints “a” and “b” of Point 19 of Part 1 of Article 3 of this Law, the reporting entity may rely on data obtained through customer due diligence undertaken by another financial institution or non-financial institution or an entity, provided that the following conditions are met:
   1) The ultimate responsibility for customer due diligence should remain with the reporting entity;

2) The reporting entity should immediately obtain from the other financial institution or non-financial institution or entity the information stipulated by Parts 1-7 of this Article;
3) The reporting entity should undertake sufficient measures to make sure that the other financial institution or non-financial institution or entity:
   a. Is authorized and may provide, immediately upon request, the information obtained through customer due diligence, including the copies of documents;
   b. Is subject to proper regulation and supervision in terms of combating money laundering and terrorism financing, as well as has effective procedures to conduct customer due diligence and to retain information, as defined by this law and the legal acts adopted on the basis thereof;
   c. Is not domiciled or does not reside in a non-compliant country or territory, or is not from a non-compliant country or territory.

9. The reporting entity may not conduct customer due diligence, except for identification and verification of the identity, where there are suspicions of money laundering or terrorism financing, and the reporting entity reasonably believes that conducting customer due diligence will tip-off the customer. In this case, the reporting entity shall file a report with the Authorized body on a suspicious transaction or business relationship stipulated by Article 8 of this Law.

(Article 16 supplemented by HO-139-N of 1 March 2018, amended, supplemented, edited by HO-296-N of 30 June 2021)

Article 17. Ongoing due diligence on business relationship

1. The reporting entity should conduct ongoing due diligence on the business relationship throughout the entire course of that relationship. Ongoing due diligence on the business relationship shall include the scrutiny of the transactions with the customer to ensure that the transactions being conducted are consistent with the knowledge of the customer, their business and risk profile, the comparability of the customer's activities with that knowledge, including, where necessary, also the source of funds.
2. The reporting entity should, at a periodicity determined on its own, update the information collected within the scope of customer due diligence (including additional or simplified) to ensure it is kept up-to-date and relevant. The periodicity determined for updating the information obtained through customer identification and identity verification should be no less than once a year.

Article 18. Measures stemming from peculiarities of risk-based customer due diligence

1. When conducting customer due diligence, the reporting entity should implement such risk management procedures to enable identification and assessment of potential or existing risks and to undertake measures proportionate to the risk.

2. In the presence of high-risk criterion or upon receiving an assignment to conduct enhanced customer due diligence as defined by Point 6 of Part 1 of Article 10 of this Law, the reporting entity should conduct enhanced customer due diligence. Enhanced due diligence shall also be conducted when a high-risk criterion is identified or comes forth in the course of the transaction or business relationship.

3. The reporting entity shall develop and implement policies and procedures for managing the risks associated with non-face to face transactions or business relationships, including those for identifying and verifying the identity that should be used whenever business relationship is established with the customer and ongoing due diligence on business relationship is conducted.

4. If the customer is a foreign legal person, or a foreign natural person, or a trust, or another legal arrangement without the status of a legal person under foreign law, the reporting entity shall be obliged to also establish and record the core of vital interests of that person.

4.1. The reporting entity shall be obliged to identify the beneficiary of life insurance or other investment related insurance policies as soon as the beneficiary is identified or designated by characteristics, and to conduct verification of the identity — at the time of the payout. At that:

1) For beneficiaries that are identified as natural or legal person, at least taking the name, surname or company name of that person;
2) For beneficiaries that are designated by characteristics or by class or on another ground, at least obtaining sufficient information that will enable to establish the identity of beneficiaries at the time of the payout.

5. In the presence of low-risk criteria, the reporting entity may conduct simplified customer due diligence. Simplified due diligence may not be permitted in the presence of high-risk criterion of money laundering or terrorism financing, or in the case of a suspicious transaction or business relationship.

6. The reporting entity shall be obligated to conduct customer due diligence also with respect to existing customers, at appropriate periodicity and in relevant cases, on the basis of materiality and risk pertinent to such customers.

(Article 18 supplemented by HO-139-N of 1 March 2018, amended, supplemented by HO-296-N of 30 June 2021)

Article 19. Correspondent or other similar relationships with foreign financial institutions

1. The financial institution should be required, in relation to cross-border correspondent or other similar relationships, in addition to performing customer due diligence measures defined by this Law, to:

1) Gather sufficient information about a respondent institution to understand fully the nature of the respondent's business and to determine from publicly available and other reliable information, the business reputation of the respondent institution and

the quality of its supervision, including whether it has been or is subject to money laundering or terrorism financing investigation or regulatory action;

2) Assess the respondent institution's controls for combating money laundering and terrorism financing to ascertain that they are adequate and effective;
3) Obtain approval from the senior management before establishing a new correspondent and other similar relationship;
4) Understand, as well as document the respective obligations of each respondent institution with regard to combating money laundering and terrorism financing, if such responsibilities are not apparently known;
5) Ascertain that the respondent institution:
   a. With respect to "payable-through accounts", has conducted customer due diligence on the customers having direct access to accounts of the financial institution, and that it is able to provide relevant customer due diligence information upon request;
   b. Does not permit their accounts to be used by shell banks.

2. Financial institutions shall be prohibited from entering into, or continuing correspondent or other similar relationships with shell banks.

(Article 19 supplemented, amended by HO-296-N of 30 June 2021)

Article 20. Obligations related to wire transfers

1. The ordering financial institution should obtain and retain the following information:
   1) Name and surname or company name of the originator and the beneficiary;
   2) Account numbers of the originator and the beneficiary (in the absence of an account, a unique reference number accompanying the transfer);
   3) Originator's data, or person's identification number, address, or date and place of birth for natural persons, or individual identification number (state registration, individual record number, etc.), or domicile for legal persons.
2. For wire transfers, the ordering financial institution should include the information stipulated by Part 1 of this Article in the payment order accompanying the transfer. Where several wire transfers are bundled in a batch file, the ordering financial institution may choose to include in each individual transfer only the originator information as stipulated by Point 2 of Part 1 of this Article, provided that the batch file contains all the information stipulated by Part 1 of this Article.
3. All financial institutions processing an intermediary element of the chains of wire transfers should ensure that the information accompanying a wire transfer, stipulated by Part 1 of this Article is retained with the transfer. Where technical limitations prevent the intermediary financial institution from retaining the information accompanying a cross-border wire transfer, stipulated by Part 1 of this Article, with a related domestic wire transfer, the intermediary financial institution should retain that information in the manner and timeframes defined by this Law.
4. The obligations stipulated by this Article shall not apply to:

1) Financial institution-to-financial institution transfers and settlements;
2) Transactions carried out using a credit, debit or prepaid cards, provided that the information on those card numbers are available in all messages (accompanying correspondence) that flow from conducting and documenting (recording) the transaction. Such exclusion defined by this Point shall apply to the transactions related to withdrawals through an ATM machine, payments for goods and services; and it shall not apply to the cases, when credit, debit or prepaid cards are used in any payment system for effecting wire transfers.

5. Intermediary and beneficiary financial institutions involved in the processing of wire transfers should have effective risk-based policies and procedures for determining and undertaking relevant measures (including rejection or suspension of a transaction) with regard to the wire transfers lacking the information stipulated by Part 1 of this Article. In the case of a wire transfer lacking the information stipulated by Part 1 of this Article, a financial institution should consider terminating correspondent or other similar relationships with the financial institutions involved in the processing of wire transfer.

(Article 20 amended, supplemented by HO-296-N of 30 June 2021)

Article 21. Requirements for branches and representations of reporting entity operating in foreign countries and territories

1. The reporting entity shall be obliged to ensure that its subsidiaries, branches and representations operating in foreign countries or territories, including those in non-compliant countries or territories, implement the requirements of this Law and the legal acts adopted on the basis thereof, where this Law and the legal acts adopted on the basis thereof define stricter norms than the laws and other legal acts of the country or territory, where the subsidiary, branch or representation is domiciled. Where the laws and other legal acts of the country or territory, where the subsidiary, branch or representation is domiciled, prohibit or do not enable implementing the requirements of this Law and the legal acts adopted on the basis thereof, the subsidiary, branch or representation should undertake relevant measures to mitigate money laundering and terrorism financing risks, as well as should inform the reporting entity thereon, and the reporting entity should respectively inform the Authorized Body.

(Article 21 supplemented by HO-296-N of 30 June 2021)

Article 22. Retention of information

1. The reporting entity should retain the information (including documents) required by this Law, including those obtained in the course of customer due diligence, regardless of the fact whether the transaction or business relationship continues or has been terminated, including:
   1) Customer identification data, account files and business correspondence;
   2) All necessary data on domestic and international transactions or business relationships (including the name, the registration address (if available) and the place of residence (domicile) of the customer (and the other party to the

transaction), the nature, date, amount, and currency of the transaction and, if available, the type and number of the account), which will be sufficient to permit full reconstruction of individual transactions or business relationships;

3) Information on suspicious transactions or business relationships stipulated by Article 7 of this Law, as well as information concerning the process of review (analysis undertaken) and findings on transactions or business relationships not recognized as suspicious;
4) Findings of the assessment of potential and existing money laundering and terrorism financing risks stipulated by Article 4 of this Law;
5) Information stipulated by Article 20 of this Law;
6) Other information stipulated by this Law.

2. Information (including documents) defined by Part 1 of this Article should be retained for at least 5 years after the business relationship is ended, or after the date of the transaction, or for a longer period where stipulated by law.
3. Information (including documents) required by this Law and retained by the reporting entity should be sufficient to enable provision of comprehensive and complete data on customers, transactions, or business relationships whenever requested by the Authorized Body or, in the cases defined by law, by authorities involved in operational intelligence activities, as well as by public participants in proceedings.
4. Information (including documents) defined by this Article should be made accessible to relevant supervisory bodies and authorities involved in operational intelligence activities, to public participants in proceedings, as well as to auditors, on a timely basis and in the manner defined by law.

(Article 22 amended by HO-179-N of 9 June 2022)

CHAPTER 6

INTERNAL LEGAL ACTS AND INTERNAL MONITORING UNIT OF REPORTING ENTITY, CONDUCT OF AUDIT

Article 23. Internal legal acts of reporting entity

1. The reporting entity should have and apply internal legal acts (policies, concept papers, procedure, rules, regulations, procedures, instructions or other means) aimed at prevention of money laundering and terrorism financing, that will take into account the size and nature of the given reporting entity's activities, as well as the risks pertinent thereto. The financial group should have and apply group-wide internal legal acts aimed at prevention of money laundering and terrorism financing. Internal legal acts stipulated by this Part should at least establish:
   1) Procedures to enable customer due diligence (including enhanced and simplified due diligence), and retention of information;
   2) List of required documents and other information to conduct customer due diligence (including enhanced and simplified due diligence);

3) Procedure and conditions for the conduct of internal audit to check implementation of the procedures and requirements stipulated by this law, the legal acts adopted on the basis thereof, and the internal legal acts of the reporting entity, whenever conduct of internal audit is required by the law;
4) Operational procedure of the internal monitoring unit;
5) Procedures for collecting, recording, and retaining information on transactions or business relationships;
6) Procedure for recognizing a transaction or business relationship as suspicious;
7) Procedures for suspension of suspicious transactions or business relationships, for rejection or termination of transactions or business relationships, and for freezing of the property of persons associated with terrorism and proliferation of weapons of mass destruction;
8) Procedure for filing a report to the authorized body;
9) Requirements for hiring, education and training of employees of the internal monitoring unit and other employees in connection with the obligations (including with customer due diligence and reporting on suspicious transactions or business relationships) defined by the legislation on combating money laundering and terrorism financing and other legal acts, as well as in connection with potential and existing risks and typologies;
10) Relevant procedures to counter (manage) the potential and existing risks, which may arise in relation to the provision of new types of services or the introduction of new delivery mechanisms, to the use of new or developing technologies, as well as to non-face to face transactions or business relationships;
11) Procedures for effective risk management to establish the presence of high-risk criteria, including the circumstance whether the customer or the beneficial owner is a politically exposed person, or his or her family member, or another person affiliated with such person;
12) Procedures for effective risk management in case of establishing a business relationship or conducting an occasional transaction without a prior verification of identity;
13) Procedures for cooperation between the internal monitoring unit and the units or employees involved in customer service;
14) Procedure for fulfilling the obligations defined by this Law in the course of correspondent or other similar relationships with foreign financial institutions;
15) For the financial group – the procedures for sharing information among members of the financial group for combating money laundering and terrorism financing, including information on suspicious transactions or business relationships;
16) Procedures ensuring implementation of other requirements defined by this Law and the legal acts of the Authorized Body.

2. Reporting entities shall provide the Authorized Body with a copy of each internal legal act stipulated by Part 1 of this Article within one week after their approval, as well as upon making supplements or amendments thereto.

Upon request of the Authorized Body, reporting entities shall be obliged to make relevant amendments or supplements to their internal legal acts within a one-month period and to submit them to the Authorized Body within the timeframe defined by the first paragraph of this Part.

(Article 23 supplemented by HO-139-N of 1 March 2018, HO-296-N of 30 June 2021)

Article 24. Internal monitoring unit of reporting entity

1. The reporting entity shall be obliged to have an internal monitoring unit.
2. Employees of the internal monitoring unit should have qualification in the manner and on the basis of professional competence criteria defined by the Authorized Body.
3. The internal monitoring unit shall make the final decision on recognizing a transaction or business relationship as suspicious, on suspending, rejecting, or terminating a transaction or business relationship, and on freezing the property of persons associated with terrorism and proliferation of weapons of mass destruction, as well as it shall also ensure filing of the reports with the Authorized Body, defined by this Law, and performance of other functions by the reporting entity defined by this Law and the legal acts adopted on the basis thereof.
4. The internal monitoring unit should have a direct and timely access to the information (including documents) being obtained and retained by the reporting entity, defined by this Law.
5. The internal monitoring unit shall, on a regular basis but no later than once in a semester, review the compliance of the transactions conducted and business relationships established by the reporting entity, and of the activities of its structural and territorial units and employees with this Law and the legal acts adopted on the basis thereof. The internal monitoring unit shall file a report with the competent body of the reporting entity specified by the Authorized Body (in banks – to the Board) on the findings of the review, as well as on other issues posed by the Authorized Body.
6. While performing its functions defined by this Law and the legal acts adopted on the basis thereof, the internal monitoring unit shall be independent and should have the status of senior management of the reporting entity.
7. The internal monitoring unit should have the right to immediately report to the competent body of the reporting entity specified by the Authorized Body (in banks – to the Board) on the issues of the reporting entity with regard to money laundering and terrorism financing, as well as to participate in the discussion of matters related to the prevention of money laundering and terrorism financing.

(Article 24 supplemented by HO-139-N of 1 March 2018)

Article 25. Conduct of audit by reporting entity

1. The reporting entity should, in the cases and at the periodicity defined by the Authorized Body, conduct internal audit to ascertain proper performance of obligations and functions stipulated by this Law.

2. In the manner defined by the Authorized Body, upon request of the Authorized Body or on its own initiative, the reporting entity shall commission an external audit to ascertain implementation of the legislation on combating money laundering and terrorism financing, and the effectiveness thereof.

CHAPTER 7

SUSPENSION OF SUSPICIOUS TRANSACTION OR BUSINESS RELATIONSHIP, REJECTION OR TERMINATION OF TRANSACTION OR BUSINESS RELATIONSHIP, AND FREEZING OF PROPERTY OF PERSONS ASSOCIATED WITH TERRORISM OR PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

(Title supplemented by HO-139-N of 1 March 2018)

Article 26. Suspension of suspicious transaction or business relationship

1. In case there is a suspicion of money laundering or terrorism financing, the financial institution shall have the right to suspend the transaction or business relationship for a period of up to 5 days, whereas in case an assignment defined by Point 6 of Part 1 of Article 10 of this Law is issued, it shall be obliged to suspend the transaction or business relationship for a period of 5 days and immediately file a report with the Authorized Body on a suspicious transaction or business relationship stipulated by Article 8 of this Law.
2. The Authorized Body shall be entitled to suspend the transaction or business relationship for a period of up to 15 days based on the filed reports, requests from foreign financial intelligence bodies, analysis of information provided by supervisory bodies and authorities involved in operational intelligence activities, as well as by public participants in proceedings, or of other information. The resolution of the Authorized Body to suspend the transaction or business relationship should be implemented immediately upon receipt thereof by the financial institution.
3. In case when the Authorized Body provides authorities involved in operational intelligence activities, as well as public participants in proceedings with a notification on a transaction or business relationship suspended by Parts 1 or 2 of this Article, the suspension period shall be considered to be extended for 15 days upon provision of the notification, whereon the Authorized Body informs the financial institution. Where there is a reasonable necessity to extend the suspension period, authorities involved in operational intelligence activities, as well as public participants in proceedings shall inform the Authorized Body within a 15-day period. In case the Authorized Body is not informed of the necessity to extend the suspension period, the suspension shall be repealed.

3.1 Where there is a necessity to extend, upon a reasonable opinion of the Authorized Body, the suspension period defined by Part 3 of this Article, the Authorized Body shall make a resolution on extending the suspension period for up to 30 days. In case the resolution of the Authorized Body is not communicated to the financial institution within the

timeframe specified in this Part, the resolution on suspension shall be considered to be repealed.

4. The resolution of the financial institution or the Authorized Body on suspending a transaction or business relationship may be repealed before the end of the suspension period only by the Authorized Body on its own initiative or upon the request of the financial institution, where there is no longer a necessity to suspend the transaction or business relationship.

(Article 26 amended, edited, supplemented by HO-296-N of 30 June 2021, amended by HO-179-N of 9 June 2022)

Article 27. Rejection or termination of transaction or business relationship

(Title edited by HO-296-N of 30 June 2021)

1. Where the obligations stipulated by Parts 1-7 of Article 16 of this Law cannot be performed, or an assignment has been issued on rejecting a transaction or business relationship as specified by Point 6 of Part 1 of Article 10 of this Law, the reporting entity should reject the transaction or business relationship and consider recognizing it as suspicious under Article 7 of this Law.
2. Where, after having established a business relationship under Part 1 of Article 16 of this Law, the obligations stipulated by Part 4 of that Article cannot be performed, as well as where the obligations defined by Article 17 of this Law cannot be performed, or an assignment has been issued on terminating a transaction or business relationship as specified by Point 6 of Part 1 of Article 10 of this Law, the reporting entity should terminate the business relationship and consider recognizing it as suspicious under Article 7 of this Law.
3. Ordering financial institutions should reject any request for wire transfer equal to or above the 400-fold amount of the minimum salary, where the information defined by Part 1 of Article 20 of this Law is lacking, as well as any request for wire transfer below the 400-fold amount of the minimum salary, where the information defined by Points 1 and 2 of Part 1 of Article 20 of this Law is lacking, and should consider recognizing them as suspicious under Article 7 of this Law.

(Article 27 edited, amended by HO-296-N of 30 June 2021)

Article 28. Freezing of property of persons associated with terrorism or proliferation of weapons of mass destruction

(Title supplemented by HO-139-N of 1 March 2018)

1. The property owned or controlled, directly or indirectly, by persons included in the lists published under or in accordance with the United Nations Security Council resolutions, as well as in the lists specified by Part 2 of this Article shall be subject to freezing without delay and without prior notice to the persons involved, including by customs authorities and reporting entities. The state bodies or persons, which have legally defined competence to restrict (put an arrest, impose an attachment, freeze, suspend)

the possession, use and/or disposal of the property stipulated by this Part and by Part 1.1 of this Law, shall exercise their competence in the manner defined by law whenever they disclose such property.

1.1. It shall be prohibited to make the property, economic resources, or financial or other related services available, directly or indirectly, wholly or jointly, to persons associated with terrorism or proliferation of weapons of mass destruction or for the benefit thereof.

2. The Authorized Body shall, on its own initiative or upon the request of competent foreign bodies, draw up, revise, and publish lists of persons associated with terrorism. Posting lists of persons associated with terrorism on the website of the Authorized Body shall be considered to be publication thereof. In case of having information on persons matching the definition of persons associated with terrorism defined by Article 3 of this Law, state bodies, including supervisory bodies and authorities involved in operational intelligence activities, public participants in proceedings, as well as reporting entities shall inform the Authorized Body thereon to include them in the lists defined by this Part.

3. Any person included in the lists published by the United Nations Security Council resolutions may apply to the United Nations for delisting. Any person included in the lists of persons associated with terrorism published by the Authorized Body may apply to the Authorized Body for delisting, which shall be considered in the manner established by the Authorized Body.

4. Freezing shall be abolished only by the Authorized Body, when the property has been frozen by mistake, as well as when the investigator puts an arrest on the frozen property. Freezing of the property of persons specified by Part 2 of this Article shall also be abolished whenever it is established that the person, whose means had been frozen, has been removed from the list of persons associated with terrorism.

5. A person shall have the right to request from the Authorized Body access to frozen property to pay for his family, medical, as well as other expenses defined by the United Nations Security Council resolutions. A decision on such payments shall be made in accordance with the United Nations Security Council resolutions, where the name of the given person is included in the lists published by the United Nations Security Council resolutions.

6. Upon freezing the property of persons associated with terrorism or proliferation of weapons of mass destruction, the reporting entity shall immediately recognize the transaction or business relationship as suspicious, and shall file a report on suspicious transaction or business relationship stipulated by Article 8 of this Law. In case of freezing (putting an arrest or imposing attachment, or suspending) the property of persons associated with terrorism or proliferation of weapons of mass destruction, the state bodies and persons stipulated by Part 1 of this Article shall immediately inform the Authorized Body thereon.

7. In case of receiving a request from foreign financial intelligence units or other foreign bodies on freezing of property, the Authorized Body shall consider within the same day the grounds for freezing. Upon establishing sufficiency of the grounds for freezing, the Authorized Body shall make a decision on freezing of property, in the manner defined by this Article.
8. Within 5 days upon being notified about the freezing, the Authorized Body shall submit a notification to authorities involved in operational intelligence activities, as well as to public participants in proceedings in the manner defined under Article 13 of this Law, except for the cases on making a decision on unfreezing in the manner established by the Authorized Body.
9. Within the meaning of this Article, the property owned by a bona fide third party — the person who, when passing the property to another person, did not know or could not have known that they would be used or was intended for use in criminal purposes, including those of terrorism or terrorism financing or proliferation of weapons of mass destruction or its financing purposes — as well as the person who, while acquiring the property, did not know or could not have known that they were the proceeds of a criminal activity, may not be subject to freezing.

(Article 28 supplemented, edited, amended by HO-139-N of 1 March 2018, supplemented by HO-296-N of 30 June 2021, amended by HO-179-N of 9 June 2022)

CHAPTER 8

SUPERVISION OVER COMPLIANCE WITH REQUIREMENTS OF LAW AND LEGAL ACTS ADOPTED ON THE BASIS THEREOF, RESPONSIBILITY MEASURES FOR NON-COMLIANCE OR IMPROPER COMPLIANCE WITH THOSE REQUIREMENTS

Article 29. Supervision over reporting entities and non-commercial organizations

1. Supervision over the reporting entity for compliance with the requirements of this Law and the legal acts adopted on the basis thereof shall be exercised by relevant supervisory bodies. Where there is not a designated supervisory body over a specific reporting entity or a regulatory framework for the supervisory body to perform the functions assigned to it in the field of combating money laundering and terrorism financing, supervision over the given reporting entity may be exercised by the Authorized Body in the manner defined by Chapter 5.1 of the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia".
2. In the manner defined by law, as well as upon recommendation of the Authorized Body, supervisory bodies shall conduct on-site inspections of reporting entities to review their compliance with the requirements for preventing money laundering or terrorism financing, and to assess the risks.
3. Bodies with a competence to supervise non-commercial organizations should, upon the request of the Authorized Body, undertake measures to prevent the involvement or

usage of non-commercial organizations in money laundering or terrorism financing. Non-commercial organizations shall be obliged to retain, in the manner and timeframe defined by this Law:

1) Information (including documents) on domestic and international transactions in such detail as to allow ascertaining whether the property involved in these transactions was expended in accordance with the purposes of the organization;
2) Identification data of members of management bodies, in accordance with Article 16 of this law;
3) Foundation documents and decisions of management bodies;
4) Documents on financial and economic activities.

4. The Authorized Body and, in the cases stipulated by law, also authorities involved in operational intelligence activities, as well as public participants in proceedings may request information (including documents) related to money laundering or terrorism financing from non-commercial organizations or the bodies exercising supervision over their activities.

(Article 29 amended by HO-179-N of 9 June 2022)

Article 30. Liability for non-compliance or improper compliance with requirements of law or legal acts adopted on the basis thereof

1. The reporting entity or its employees (managers) may not be subject to material liability for proper performance of their obligations stipulated by this Law, as well as to criminal, administrative or other liability for proper performance of their obligations stipulated by Article 6 of this Law. The Authorized Body or its employees may not be subject to criminal, administrative or other liability for proper performance of their obligations stipulated by this Law.
2. Non-compliance or improper compliance with the requirements of this Law or the legal acts adopted on the basis thereof by financial institutions shall result in the responsibility measures defined by the legislation regulating their activities, in the manner defined by such legislation.
3. Financial institutions operating within a legislative framework, which does not stipulate responsibility measures for non-compliance or improper compliance with the requirements of this Law and the legal acts adopted on the basis thereof, shall be subject to responsibility measures stipulated by Part 4 of this Article for legal persons that are non-financial institutions or entities.
4. Non-compliance or improper compliance with the requirements of this Law or the legal acts adopted on the basis thereof by legal persons that are non-financial institutions or entities shall result in the application of the following responsibility measures:

1) Non-compliance or improper compliance with the obligations defined by Article 4 of this Law shall result in a warning or a fine in the amount of 200-fold of the minimum salary;

2) Failure to file the reports defined by Part 2 of Article 6 of this Law (including failure to recognize a transaction or business relationship as suspicious in the cases defined by Part 1 of Article 7 of this Law), or late filing shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
3) Failure to file reports defined by Part 3 of Article 6 of this Law, or late filing, as well as entering in the reports incorrect (including false or unreliable) or incomplete data, making structural alterations in the reporting templates shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 200-fold of the minimum salary;
4) Non-compliance or improper compliance with the obligation defined by Part 5 of Article 6 of this Law shall result in a warning or a fine in the amount of 600-fold of the minimum salary;
5) Non-compliance or improper compliance with the obligation defined by Part 3 of Article 7 of this Law shall result in a warning or a fine in the amount of 300-fold of the minimum salary;
6) Non-compliance or improper compliance with the obligations defined by Parts 5 and 6 of Article 9 of the Law shall result in a warning or a fine in the amount of 200-fold of the minimum salary;
7) Non-compliance or improper compliance with the obligations defined by Points 4 and 6 of Part 1 of Article 10 of this Law on providing information or executing assignments shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
8) Non-compliance or improper compliance with the obligations defined by Article 16 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
9) Non-compliance or improper compliance with the obligations defined by Article 17 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 200-fold of the minimum salary;
10) Non-compliance or improper compliance with the obligations defined by Article 18 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 200-fold of the minimum salary;
11) Non-compliance or improper compliance with the obligations defined by Article 21 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
12) Non-compliance or improper compliance with the obligations defined by Article 22 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
13) Non-compliance or improper compliance with the obligations defined by Article 23 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 200-fold of the minimum salary;

14) Non-compliance or improper compliance with the obligations defined by Article 24 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
15) Non-compliance or improper compliance with the obligations defined by Article 25 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 200-fold of the minimum salary;
16) Non-compliance or improper compliance with the obligations defined by Article 26 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
17) Non-compliance or improper compliance with the obligations defined by Article 27 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 600-fold of the minimum salary;
18) Non-compliance or improper compliance with the obligations defined by Article 28 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine in the amount of 2,000-fold of the minimum salary.

5. Non-compliance or improper compliance with the requirements of this Law or the legal acts adopted on the basis thereof by natural persons that are non-financial institutions or entities shall result in liability defined by the Republic of Armenia Code on Administrative Offences.
6. Responsibility measures with regard to non-financial institutions or entities being licensed (appointed, qualified, or otherwise permitted to engage in activities) by a supervisory body shall be applied by the respective supervisory body, in the manner defined by law.
7. Where there is not a defined supervisory body over a specific reporting entity or a regulatory framework for the supervisory body to perform the functions assigned to it in the field of combating money laundering and terrorism financing, responsibility measures with regard to legal or natural persons that are not reporting entities shall be applied by the Authorized body, in the manner defined by law.
8. Unauthorized disclosure of information constituting secrecy and in the possession of the Authorized Body as defined by this Law or the legal acts adopted on the basis thereof, as well as unauthorized disclosure of information constituting commercial and official secrecy, by employees of the Authorized Body shall result in liability defined by law.
9. Non-compliance or improper compliance with the requirements of this Law or the legal acts of the Authorized Body by the officials of state bodies shall result in liability defined by the Republic of Armenia Code on Administrative Offences.

Article 31. Liability imposed on legal persons for involvement in money laundering or terrorism financing

(The article lost its force by HO-179-N of 9 June 2022)

(The law HO-179-N of 9 June 2022 has a concluding part and a transitional provision)

CHAPTER 9

TRANSITIONAL PROVISIONS

Article 32. Transitional provisions

1. This Law shall enter into force on the 90th day following its promulgation.
2. With regard to sole practitioner lawyers and legal firms, sole practitioner accountants and accounting firms, dealers in precious metals, dealers in precious stones, dealers in works of art, organizers of auctions, entities providing trust management and company registration services, the registration responsibility stipulated by Part 5 of Article 9 of this Law shall arise only upon establishing the requirements for licensing (appointing, granting qualification, or otherwise permitting to engage in activities) and for exercising relevant supervision, in the manner defined by law.

(***Law edited by HO-113-N of 21 June 2014)***

President of the Republic of Armenia **S. Sargsyan**

21 June 2008

Yerevan

HO-80-N