

**REPUBLIC OF ARMENIA LAW**  
**ON COMBATING MONEY LAUNDERING AND TERRORISM FINANCING**

*(Adopted on May 26, 2008)*

1. The purpose of this Law shall be 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 a legislative framework to counter money laundering and terrorism financing.

**CHAPTER 1**  
**GENERAL PROVISIONS**

**ARTICLE 1: SUBJECT OF LAW**

1. This Law shall regulate the relationships 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 rules 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.

**ARTICLE 2: LEGAL REGULATION OF 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 provided for under this Law, other legal statutes.

**ARTICLE 3: BASIC DEFINITIONS USED IN LAW**

1. In the meaning of this Law:
  - 1) **Property** shall be the property defined under Part 4 of Article 103.1 of the Republic of Armenia Criminal Code;
  - 2) **Money laundering** shall be the action defined under Article 190 of the Republic of Armenia Criminal Code;
  - 3) **Terrorism financing** shall be the action defined under Article 217.1 of the Republic of Armenia Criminal Code;
  - 4) **Reporting entities** shall be:
    - a. banks;
    - b. credit organizations;
    - c. entities engaged in foreign currency broker-dealer trade transactions, foreign currency exchange;
    - d. entities engaged in money (currency) transfer services;
    - e. entities providing investment services, as defined under 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 Depository, as defined under 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 provided for under Articles 6-8, the obligation to register as provided for under Part 5 of Article 9, and the responsibility established under Clauses 2, 4, 5 and 6, 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 provided for under Articles 6-8, the obligation to register as provided for under Part 5 of Article 9, and the responsibility established under 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 provided for under Articles 6-8 in the cases specified under Part 4 of Article 6, as well as the obligations as provided for under Parts 1 and 5 of Article 9, and the responsibility established under Part 9 of Article 30;
- 5) **Financial institutions** shall be the reporting entities defined under Sub-Clauses “a” to “i”, Clause 4 of this Part;
- 6) **Non-financial institutions or entities** shall be the reporting entities defined under Sub-Clauses “j” to “t”, Clause 4 of this Part;  
Articles 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 authority** shall be the relevant body authorized to license (appoint, qualify, or otherwise permit the activities) and to supervise the reporting entity;
- 9) **Transaction** shall be a deal 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 issuing from a specific transaction may also be considered as a transaction.

- 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 stipulated 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 in reality acts; and (or) who in reality controls the customer or the person on behalf or for the benefit of whom the transaction or the business relationship is conducted; and (or) who owns the customer, which is a legal person; or the person on behalf or for the benefit of whom the transaction or the business relationship is conducted. With respect to legal persons, the beneficial owner shall also be the natural person who exercises actual (real) control over the legal person or the transaction or the business relationship, and (or) for the benefit of whom the transaction or the business relationship is conducted. The beneficial owner of a legal person may also be the natural person, who:
  - a. Holds, with voting power, 20 or more percent of the voting shares (stocks, equity interests, hereinafter: shares) of the legal person involved (except for the listed issuers (public companies) as defined by the Republic of Armenia Law on the Securities Market), or has the capacity to predetermine its decisions by virtue of his shareholding or due to a contract concluded with the legal person; or
  - b. Is a member of the executive and (or) governance body of the legal person involved; or
  - c. Acts in concert with the legal person involved, on basis of common economic interests;
- 15) **Authorized person** shall be the person authorized, by the order 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 power of attorney or in any other manner stipulated by the law;
- 16) **Legal person** shall be an organization or establishment with legal personality under the Republic of Armenia law and (or) foreign law, as well as a legal formation without legal personality under foreign law;
- 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 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 is channeled the property deriving from the transaction;
- 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 business relationship;
  - c. Performing ongoing due diligence of 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 established by this Law, the legal statutes of the Authorized Body, as well as the internal legal statutes of the reporting entity, which indicates a high likelihood of money laundering or terrorism financing; such criteria shall include politically exposed persons, their family members or persons otherwise associated with them (father, mother, grandmother, grandfather, sister, brother, children, spouse's parents), who are potential or existing customers or beneficial owners; 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 patterns of 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 established criteria;
- 22) **Enhanced customer due diligence** shall be a process involving advanced application of customer due diligence by the reporting agency, 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;
  - 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 established by this Law or the legal statutes 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-owned non commercial organizations, public administration 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 in a foreign country or territory. At that, the definition of politically exposed persons shall not cover the individuals having been entrusted middle and low ranking public functions. 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. 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. Members of the Auditors' Court or members of the Board of the Central Bank;
  - e. Ambassadors, chargés d'affaires, and high-level military officers;
  - f. Prominent members of political parties;
  - g. Members of administrative, managerial, or supervisory bodies of state-owned organizations;
- 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 inadequate 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 and terrorism financing;
- 29) ***Internal monitoring unit*** shall be a division or employee of the reporting entity performing the function of preventing money laundering and terrorism financing as provided for under this Law and the legal statutes 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, 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 likelihood of money laundering or terrorism financing, as defined by the legal statutes of the Authorized Body, as well as the internal legal statutes 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 statutes of the Authorized Body, as well as the internal legal statutes of the reporting entity;
- 33) ***Terrorism-related person*** 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;
- 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) ***Refusal of transaction or business relationship*** shall be non-performing of the actions stipulated for conduction of a transaction or establishment of a business relationship;
- 36) ***Termination of transaction or business relationship*** shall be disrupting conduction of 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 terrorism-related persons; 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), shares, 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 and coordinates functions over 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 Sub-Clauses “a”, “e”, “f”, or “g”, Clause 4, Part 1 of Article 3 of this Law, for the application of effective consolidated supervision at the group level.

## **CHAPTER 2 PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING**

### **ARTICLE 4: APPLICATION OF RISK-BASED APPROACH BY REPORTING ENTITIES**

1. Financial institutions and non-financial institutions and entities should identify and assess their potential and existing money laundering and terrorism financing risks, and should have policies, controls, and procedures enabling them to effectively manage and mitigate identified risks.
2. When assessing money laundering and terrorism financing risk, financial institutions and non-financial institutions and 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 and entities should regularly, but at least once in a year, review their potential and existing money laundering and terrorism financing risks.
4. Among other money laundering and terrorism financing risks, financial institutions should identify and assess those potential and existing risks, which may arise in relation to the development of new products and new business practices, as well as to the use of new or developing technologies.
5. Financial institutions 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 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 statutes 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 to the confidentiality requirements as established 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 Clause 5, 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 above AMD 20 million, as well as cash-related transactions at an amount 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 above AMD 20 million, except for transactions of buying and selling real estate, which shall be reported if concluded at an amount above AMD 50 million. Transactions defined under this Clause, when made in cash, shall be reported if concluded at an amount above AMD 5 million.
  4. Reporting requirement under Parts 2 and (or) 3 of this Article shall apply to the reporting entities specified under Clauses 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 the preparation or implementation of 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. Sell/ buy back casino tokens (lottery tickets);
      - b. Accept wagers;
      - c. Pay out or provide winnings;
      - d. Make financial transactions related to Sub-Clauses “a” to “c” of this Clause.
    - 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 a director (executive body) of a company, a partner of a partnership, or perform similar functions of a legal person’s management;
      - c. Provide accommodation (operational, correspondence, or administrative address) to a legal person;
      - d. Act (arrange for another person to act) as a trust manager 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 above AMD 5 million.
5. Reporting entities, their employees, and representatives shall be prohibited from informing the person, on whom a report or other information is being filed with the Authorized Body, as well as other persons, about the fact of filing such report or other information.
6. The Authorized Body shall determine, as per certain types of transactions and (or) thresholds, the cases of releasing from the reporting obligation specified under Part 3 of this Article.

#### **ARTICLE 7: RECOGNITION OF SUSPICIOUS TRANSACTION OR BUSINESS RELATIONSHIP**

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 specified under 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 RULES 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, domicile, 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, refused, or terminated, or whether the property of terrorism-related persons 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 Sub-Clauses “u” to “w” of Clause 4, Part 1, Article 3 of this Law (hard copies should also bear the seal, if available). 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 forms, rules, and timeframes of reporting for each type of reporting entity, as well as exclusions from the information to be included in the reports under this Article.

**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. In case of registering a legal person, making changes in the statutory (equity and the like) capital or in the composition of the founders, participants, members, shareholders, or stockholders of the legal person, the founders (participants, members, shareholders, stockholders etc.) shall be obligated to file a declaration on the beneficial owners of the legal person with the state authority in charge of registering legal persons (the State Registry) in the manner, form, and timeframes established by the Authorized Body. Upon request, the state authority in charge of registering legal persons (the State Registry) shall provide the Authorized Body with a copy of the mentioned declaration.
2. Legal persons shall be subject to responsibility stipulated by the law for the failure to submit the data on beneficial owners under Part 1 of this Article, and for submitting incorrect (including false or unreliable) or incomplete data.
3. In the course of licensing (appointing, qualifying, or otherwise permitting the activities) a financial institution, the supervisory authority 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, qualifying, or otherwise permitting the activities) a reporting entity or terminating its license (appointment, qualification, or otherwise permission of the activities), the supervisory authority shall be obligated to notify the Authorized Body on that matter.
  5. Within 1 month after being licensed (appointed, qualified, or otherwise permitted to have 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.

### **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 criminal prosecution authorities in the cases defined under 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 and criminal prosecution authorities, 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 statutes adopted on the basis thereof (in case of non-financial institutions or entities, which have supervisory authorities – through such authorities), including assignments to recognize as suspicious, to suspend, refuse 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 statutes, 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 statutes, including those on the criteria and typologies of suspicious transactions or business relationships;
  - 8) Supervise the reporting entities in the cases and manner provided for under this Law; assist supervision activities of other supervisory authorities, 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 under 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 authority or a legislative regulatory framework for the supervisory authority 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 terrorism-related persons;
  - 12) Develop, review, and publish the lists of terrorism-related persons as defined under 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 staff members of internal monitoring units of financial institutions as defined under 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 structures and foreign financial intelligence bodies as defined under 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 structures 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 provided for under 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 statutes, shall exercise the powers as provided for the Authorized Body under 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 annual operations plan, and the budget of the Financial Monitoring Center, and shall exercise the powers defined under Clause 9, Part 1 of this Article.
  4. The power defined under Clause 7, 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 under Clauses 10 and 11, Part 1 of this Article shall be exercised by the supreme management body of the Authorized Body.
  5. The supreme management body of the Authorized Body shall appoint and dismiss the head and the staff members 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 accessed by relevant bodies or persons, as defined by the law.
8. Staff members of the Financial Monitoring Center with access to received, analyzed, and disseminated information shall maintain confidentiality of classified information as defined by the law and the legal statutes 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 11: NORMATIVE LEGAL STATUTES ADOPTED BY AUTHORIZED BODY**

1. For the purposes of this Law, normative legal statutes 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 rules 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) Rules for the approval and revision of internal legal statutes of the reporting entity; minimum requirements with regard to internal legal statutes;
  - 5) Cases and periodicity of conducting internal audit of the reporting entity, as well as rules 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 forms, rules and timeframes – by types of reporting entities, as well as exclusions from the information to be included in the reports under Article 8 of this Law;
  - 7) Rules of registration of the reporting entity with the Authorized Body;
  - 8) Information (including documents) required by the supervisory authority in the process of licensing (appointing, qualifying, or otherwise permitting the activities) a financial institution;
  - 9) Form, rules, and timeframes for filing the declaration on beneficial owners with the state authority in charge of registering legal persons (the State Registry);
  - 10) Criteria and rules for recognizing high and low risk of money laundering and terrorism financing;
  - 11) Content, forms, rules, 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 rules and professional competence criteria for the staff members 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 non-financial institutions or entities, as well as the cases and manner for delegating the functions of the internal monitoring unit to a specialized professional entity;

- 14) Rules for collection of statistical information from state bodies; forms and timeframes for collection thereof;
  - 15) Rules for considering petitions on delisting the persons included in the lists stipulated under Part 2 of Article 28 of this Law; rules for unfreezing the property of terrorism-related persons;
  - 16) Minimum requirements with regard to the selection, training, and qualification of the respective staff of reporting entities with competencies in the prevention of money laundering and terrorism financing;
  - 17) Rules and conditions for declaring transportation, delivery, import and export of bearer securities through the customs border;
  - 18) Other provisions, as determined by this Law.
2. Normative legal statutes regulating activities of non-financial institutions or entities shall be agreed with the respective supervisory authorities.

#### **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 criminal prosecution authorities. 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. Notifications and other information submitted by the Authorized Body to criminal prosecution authorities shall be considered as intelligence data and can be used only in the manner established by the legislation.

### **CHAPTER 4 COOPERATION FOR PURPOSES OF 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 in the manner and within the framework established by this Law, including cooperation with supervisory and criminal prosecution authorities, by means of concluding bilateral agreements, or without doing so.
2. The Authorized Body shall cooperate with supervisory authorities 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 statutes adopted on the basis thereof.
3. The Authorized Body shall submit a notification to criminal prosecution authorities, 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. Along with the notification or,

- subsequently, in addition to it the Authorized Body may on its own initiative submit to criminal prosecution authorities further data related to the circumstances described in the notification. The notification or the additionally submitted data may contain classified information as defined by the law.
4. Upon the request of criminal prosecution authorities, 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. 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 Clauses 4 and 5, Part 1 of Article 10 of this Law is requested, reporting entities, state bodies, including supervisory and criminal prosecution authorities, 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. Criminal prosecution authorities shall provide information constituting preliminary investigation secrecy, provided that the request of the Authorized Body contains sufficient substantiation of a suspicion or a case of money laundering or terrorism financing.
  6. Criminal prosecution authorities shall inform the Authorized Body about the decisions taken due to the review of notifications specified under Part 3 of this Article and information specified under Part 4 of this Article, as well as about the decisions taken due to the preliminary investigation when a criminal case is instigated, 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 advise the customs authority on lifting the suspension, or to submit a notification to law enforcement agencies. 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 advise 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 cases on money laundering and terrorism financing, as well as on 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 cases on money laundering and terrorism financing, on a case-by-case basis;
    - 3) The number of criminal cases on 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 cases on money laundering and terrorism financing in judicial proceedings;

- 5) The number of court decisions (convictions and acquittals) regarding criminal cases on money laundering and terrorism financing and on other related crimes; the penalties imposed, as well as the value of confiscated and forfeited property;
- 6) Information on the requests received and sent within international legal assistance regarding criminal cases 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 14: INTERNATIONAL COOPERATION**

1. The Authorized Body and relevant state bodies shall cooperate with international structures 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 bodies, which, based on bilateral agreements or commitments due to membership in international structures, 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 for criminal prosecution, administrative, or judicial purposes, without the prior consent of the foreign structure 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 RESPONSIBILITIES, AND MAINTAINING INFORMATION**

#### **ARTICLE 15: BAN ON TRANSACTIONS OR BUSINESS RELATIONSHIPS AND SECURITIES IMPEDING CUSTOMER DUE DILIGENCE, AS WELL AS ON SHELL BANKING ACTIVITY**

1. In the Republic of Armenia, it shall be prohibited to open, issue, provide, and service the following:
  - 1) Anonymous accounts or accounts in fictitious names;
  - 2) Accounts with only numeric, alphabetic, or other conventional symbolic expression;
  - 3) Bearer securities.
2. It shall be prohibited to establish and run a shell bank in the Republic of Armenia.

#### **ARTICLE 16: CUSTOMER DUE DILIGENCE**

1. Reporting entities may establish a business relationship or conduct an occasional transaction with a customer only after obtaining identification information (including documents) on the customer as defined under Part 4 of this Article, and verifying the customer's identity.

- Reporting entities may verify the customer's identity based on the identification information, as provided for by this Law, also in the course of establishing the business relationship or conducting the occasional transaction, or thereafter within a reasonable timeframe not to exceed 7 days, provided that the risk is effectively managed, and that this is essential not to interrupt the normal conduct of business relationships with the customer.
2. Reporting entities should undertake customer due diligence, when:
    - 1) Establishing a business relationship;
    - 2) Carrying out an occasional transaction (linked occasional transactions), including domestic or international wire transfers, at an amount equal or above the 400-fold of the minimal salary, unless stricter provisions are established by the legislation;
    - 3) Doubts arise with regard to the veracity or adequacy of previously obtained customer identification data (including documents);
    - 4) Suspicions arise with regard to money laundering or terrorism financing.
  3. Reporting entities specified under Part 4 of Article 6 of this Law shall undertake customer due diligence, as defined by this Article, in the cases provided for under Part 4 of Article 6 of this Law. At that, organizers of casino, games of chance, including online games of chance, and lotteries shall undertake it in connection with any transaction (linked occasional transactions) referred to in the same part and exceeding AMD 1 million (except when there are suspicions with regard to money laundering or terrorism financing, in which case customer due diligence shall be undertaken irrespectively of the amount involved), whereas entities engaged in realtor activities shall undertake it in connection with transactions or business relationships related to buying and selling real estate, unless stricter provisions are established by the legislation.
  4. Reporting entities shall identify the customers and verify their identity using reliable and valid documents issued by competent state authorities, and other relevant data. At that:
    - 1) For natural persons or sole practitioners, information obtained on the basis of the identification document or other official documents without failure bearing a photograph of the person shall at least contain the forename and surname, citizenship, registration address (if available) of the person, 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, as well as other data defined by the law. Reporting entities shall establish the customer's place of residence, as well.
    - 2) For legal persons, information obtained on the basis of the state registration document or other official documents shall at least contain the company name, domicile, individual identification number (state registration, individual record number etc) of the legal person, forename and surname of the chief executive officer and, if available, the taxpayer identification number, as well as other data defined by the law.
    - 3) For government bodies or local self-government bodies, the obtained information shall at least contain the full official name and the country of the government body or local self-government body.
  5. Reporting entities should determine whether the customer is acting on behalf and (or) for the benefit of another person. Reporting entities should:
    - 1) Establish any authorized person and, as applicable, identify the authorized person, verify his identity and his authority to act on behalf of the customer, in accordance with Parts 1 to 4 and Part 8 of this Article
    - 2) Establish any beneficial owner and, as applicable, identify the beneficial owner and verify his identity, in accordance with Parts 1 to 4 and Part 8 of this Article.

6. In establishing the beneficial owner of a customer that is a legal person, reporting entities should obtain complete information on the ownership and control structure of that legal person (except for the listed issuers (public companies) as defined by the Republic of Armenia Law on the Securities Market).
7. Reporting entities should establish the business profile of the customer, as well as the purpose and intended nature of the business relationship.
8. When taking the measures specified under Sub-Clauses “a” and “b”, Clause 19, Part 1 of Article 3 of this Law, reporting entities may rely on information obtained through customer due diligence undertaken by another financial institution or non-financial institution or 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 specified under Parts 1 to 7 of this Article;
  - 3) The reporting entity should take adequate steps to satisfy itself that the other financial institution or non-financial institution or entity:
    - a. Is authorized and has the capacity to 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 maintain relevant information, as provided for under this Law and the legal statutes adopted on the basis thereof;
    - c. Is not domiciled or residing in, or is not from a non-compliant country or territory.

#### **ARTICLE 17: ONGOING DUE DILIGENCE OF BUSINESS RELATIONSHIP**

1. Reporting entities should conduct ongoing due diligence throughout the whole course of the business relationship. Ongoing due diligence of the business relationship shall include the scrutiny of the transactions with the customer to ascertain the veracity of the information regarding the customer, its business and risk profile, the consistency of that information with the activities of the customer and, where necessary, also the source of funds and wealth of the customer.
2. At a periodicity determined by their own, reporting entities should update the data collected within customer due diligence (including enhanced and simplified due diligence) to ensure that it is up to date and relevant. The periodicity determined for updating data obtained through identification and verification of identity of customers should be at least once in a year.

#### **ARTICLE 18: MEASURES STEMMING FROM PECULIARITIES OF RISK-BASED DUE DILIGENCE OF CUSTOMER**

1. In conducting customer due diligence, reporting entities should introduce risk management procedures to enable detection and assessment of potential and existing risks, and to take measures proportionate to the risk.
2. In the presence of high risk criteria, reporting entities should conduct enhanced customer due diligence. Enhanced due diligence shall be conducted also when a criteria of high risk is detected or comes forth in the course of the transaction or business relationship.
3. Reporting entities should develop and implement policies and procedures to counter the risks associated with non-face to face transactions or business relationships, including the

procedures of identification and verification of identity. These policies and procedures should be applied whenever business relationships are established and ongoing due diligence of business relationships is conducted.

4. If the customer is a foreign legal person, or a foreign natural person, or a person without legal personality under foreign law, reporting entities shall also be obligated to establish and record the core of vital interests of that person.
5. In the presence of low risk criteria, reporting entities may conduct simplified due diligence. Simplified due diligence shall not be permitted in the presence of high risk criteria of money laundering or terrorism financing, or in the case of a suspicious transaction or business relationship.
6. Reporting entities shall be obligated to conduct due diligence also with respect to existing customers, at appropriate periodicity and in relevant cases, on basis of materiality and risk pertinent to such customers.

#### **ARTICLE 19: CORRESPONDENT OR OTHER SIMILAR RELATIONS WITH FOREIGN FINANCIAL INSTITUTIONS**

1. In the course of correspondent or other similar relations with foreign financial institutions, in addition to the requirements defined by this Law with regard to customer due diligence, financial institutions should also undertake the following:
  - 1) Gather sufficient information about the respondent institution to understand fully the nature of the respondent's business and, based on publicly available and other reliable information, determine the reputation of the respondent institution and the quality of its supervision, including whether it has been or is subject to a criminal investigation or other proceeding related to money laundering or terrorism financing.
  - 2) Assess the respondent institution's procedures for combating money laundering and terrorism financing to ascertain that they are adequate and effective;
  - 3) Obtain the approval of the senior management before establishing a correspondent or other similar relationship;
  - 4) Document the respective responsibilities of each institution with regard to combating money laundering and terrorism financing, if such responsibilities are not apparently known;
  - 5) Ascertain that, in connection with payable-through accounts, the respondent institution:
    - a. Has conducted due diligence of customers having direct access to the accounts of the financial institution and is able to provide upon request relevant data regarding the due diligence of these customers;
    - b. Does not allow the use of its accounts by shell banks.
2. Financial institutions shall be prohibited from entering into or continuing correspondent or other similar relations with shell banks.

#### **ARTICLE 20: OBLIGATIONS RELATED TO WIRE TRANSFERS**

1. Financial institutions ordering a wire transfer should obtain and maintain the following information:
  - 1) Forename and surname or company name of the originator and the beneficiary of the transfer;
  - 2) Account numbers of the originator and the beneficiary of the transfer (or, in the absence thereof, the unique reference number accompanying the transfer);

- 3) With regard to the originator of the transfer, details of the identification document for natural persons or individual identification number (state registration, individual record number etc) for legal persons.
2. For all wire transfers, the ordering financial institution should include the information specified under Part 1 of this Article in the payment order accompanying the transfer. Where more than one 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 specified under Clause 2, Part 1 of this Article, provided that the batch file contains full information required under Part 1 of this Article.
3. All intermediary financial institutions involved in the processing of wire transfers should ensure that the information accompanying a wire transfer specified under Part 1 of this Article is transmitted with the transfer. Where technical limitations prevent the intermediary financial institution from transmitting the information accompanying a cross-border wire transfer specified under Part 1 of this Article with the related domestic wire transfer, the intermediary financial institution should maintain that information in the manner and timeframes established by this Law.
4. Obligations under this Article shall not apply to:
  - 1) Transfers and settlements between financial institutions on their own behalf;
  - 2) Transactions carried out through the use of credit, debit or prepaid cards, provided that the information on the card number is available in all messages (accompanying correspondence) that flow from conducting and documenting (recording) the transaction. Such exclusion 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 a payment system for effecting wire transfers.
5. Intermediary and beneficiary financial institutions should adopt effective risk-based policies and procedures for identifying and taking relevant measures (including refusal or suspension) with regard to the wire transfers that lack the information specified under Part 1 of this Article. In the case of a wire transfer lacking the information specified under Part 1 of this Article, a financial institution should consider terminating correspondent or other similar relationships with the financial institutions involved in the given wire transfer.

#### **ARTICLE 21: REQUIREMENTS WITH REGARD TO REPORTING ENTITY'S BRANCHES AND REPRESENTATIONS OPERATING IN FOREIGN COUNTRIES AND TERRITORIES**

1. Reporting entities shall be obligated to ensure that their subsidiaries, branches and representations operating in foreign countries or territories, including those in non-compliant countries and territories, observe the measures determined under this Law and the legal statutes adopted on the basis thereof, if this Law and the legal statutes adopted on the basis thereof establish stricter norms as compared with the laws and other legal statutes of the country or territory, where the subsidiary, branch or representation is domiciled. If the laws and other legal statutes of the country or territory, where the subsidiary, branch or representation is domiciled, prohibit or do not enable implementing the requirements under this Law and the legal statutes adopted on the basis thereof, then the subsidiary, branch or representation should inform the reporting entity on that matter, and the reporting entity should respectively inform the Authorized Body.

#### **ARTICLE 22: MAINTAINING INFORMATION**

1. Reporting entities should maintain the information (including documents) required under this Law, including the information (documents) obtained in the course of customer due diligence, regardless of the fact whether the transaction or business relationship is an ongoing one or has been terminated, inclusive of:
  - 1) Customer identification data, including the data on the account number and turnover, as well as business correspondence data;
  - 2) All necessary records on transactions or business relationships, both domestic and international (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 transaction and, if available, type and number of the account), which would be sufficient to permit full reconstruction of individual transactions or business relationships;
  - 3) Information on suspicious transactions or business relationships as specified under Article 7 of this Law, as well as information concerning the process of review (conducted analysis) 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 specified under Article 4 of this Law;
  - 5) Information specified under Article 20 of this Law;
  - 6) Other information stipulated by this Law.
2. Information (including documents) specified under Part 1 of this Article should be maintained for at least 5 years following the termination of the business relationship or completion of the transaction, or for a longer period if required by the law.
3. Information (including documents) required under this Law and maintained by reporting entities should be sufficient to enable submission of comprehensive and complete data on customers, transactions, or business relationships whenever requested by the Authorized Body or, in the cases established by the law, by criminal prosecution authorities.
4. Information (including documents) specified under this Article should be made accessible to relevant supervisory and criminal prosecution authorities, as well as to auditors, on a timely basis and in the manner established by the law.

**CHAPTER 6**  
**INTERNAL LEGAL STATUTES AND INTERNAL MONITORING UNIT**  
**OF REPORTING ENTITY, CONDUCTION OF AUDIT**

**ARTICLE 23: INTERNAL LEGAL STATUTES OF REPORTING ENTITY**

1. Reporting entities should have in place and apply internal legal statutes (policies, concept papers, rules, regulations, procedures, instructions or other means) aimed at the prevention of money laundering and terrorism financing, having regard to the size and nature of the reporting entity's activities, as well as the risks pertinent thereof. Financial groups should have in place and apply group-wide internal legal statutes aimed at the prevention of money laundering and terrorism financing. Internal legal statutes referred to in this Part should establish, at minimum:
  - 1) Procedures to enable customer due diligence (including enhanced and simplified due diligence), and to maintain information;
  - 2) List of required documents and other information to conduct customer due diligence (including enhanced and simplified due diligence);
  - 3) Rules and conditions for the conduction of internal audit to check compliance with the procedures and requirements under this Law, the legal statutes adopted on the basis

- thereof, and the internal legal statutes of the reporting entity, whenever conduction of internal audit is required under the law;
- 4) Operational procedures of the Internal Monitoring Unit;
  - 5) Procedures for collecting, recording, and maintaining information on customers, transactions and business relationships;
  - 6) Procedures for recognizing a transaction or business relationship as suspicious;
  - 7) Procedures for the suspension of suspicious transactions or business relationships, for the refusal or termination of transactions or business relationships, and for the freezing of the property of terrorism-related persons;
  - 8) Procedures for reporting to the Authorized Body;
  - 9) Requirements with regard to hiring, training, and professional development of the staff members of the Internal Monitoring Unit and other employees in connection with the obligations (including customer due diligence and reporting of suspicious transactions or business relationships) defined by the legislation on combating money laundering and terrorism financing and other legal statutes, as well as in connection with potential and existing risks and typologies;
  - 10) Adequate procedures to counter (manage) the potential and existing risks, which may arise in relation to the development of new products and new business practices, 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 is a politically exposed person, or a family member of or otherwise associated 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) Rules for implementing the requirements established by this Law in case of correspondent or other similar relations with foreign financial institutions;
  - 15) For financial groups – the procedures for sharing information within the group for the purpose of combating money laundering and terrorism financing;
  - 16) Procedures ensuring implementation of other requirements established by this Law and the legal statutes of the Authorized Body.
2. Reporting entities shall provide a copy of each internal legal statute specified under Part 1 of this Article to the Authorized Body within one week after their approval, as well as upon making amendments or changes to them.
- Upon the request of the Authorized Body, reporting entities shall be obligated to make relevant changes or amendments to their internal legal statutes within a one-month period and to submit them to the Authorized Body within the timeframe specified under the first paragraph of this Part.

#### **ARTICLE 24: INTERNAL MONITORING UNIT OF REPORTING ENTITY**

1. Reporting entities shall be obligated to have an Internal Monitoring Unit.
2. Staff members of the Internal Monitoring Unit should have appropriate qualification awarded on basis of qualification rules and 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, refusing, or terminating a transaction or

business relationship, and on freezing the property of terrorism-related persons; it shall also ensure submission of the reports to the Authorized Body as defined by this Law, and implementation of other functions by the reporting entity as established by this Law and the legal statutes adopted on the basis thereof.

4. The Internal Monitoring Unit should have direct and timely access to the information (including documents) obtained and maintained by the reporting entity under this Law.
5. The Internal Monitoring Unit shall, on a regular basis but at least semi-annually, review the compliance of the transactions conducted and business relationships established by the reporting entity, as well as of the activities of its structural and territorial units and employees with this Law and the legal statutes adopted on the basis thereof. The Internal Monitoring Unit shall present a report to 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 proposed by the Authorized Body.
6. In performing its functions under this Law and the legal statutes adopted on the basis thereof, the Internal Monitoring Unit shall be independent and have the status of senior management of the reporting entity.
7. The Internal Monitoring Unit should have the authority to immediately report to the reporting entity's competent body as determined by the Authorized Body (in banks – to the Board) on the reporting entity's problems with regard to money laundering and terrorism financing, as well as to participate in its consideration of the issues related to the prevention of money laundering and terrorism financing.

#### **ARTICLE 25: CONDUCTION OF AUDIT BY REPORTING ENTITY**

1. Reporting entities should conduct internal audit in the cases and at the periodicity established by the Authorized Body, to ascertain adequate implementation of the obligations and functions established by this Law.
2. In the manner established by the Authorized Body, upon the request of the Authorized Body or by their own initiative, reporting entities shall commission external audit to ascertain implementation of the legislation on combating money laundering and terrorism financing, and its effectiveness.

### **CHAPTER 7**

#### **SUSPENSION OF SUSPICIOUS TRANSACTION OR BUSINESS RELATIONSHIP, REFUSAL OR TERMINATION OF TRANSACTION OR BUSINESS RELATIONSHIP, AND FREEZING OF PROPERTY OF TERRORISM-RELATED PERSONS**

#### **ARTICLE 26: SUSPENSION OF SUSPICIOUS TRANSACTION OR BUSINESS RELATIONSHIP**

1. In the presence of a suspicion of money laundering or terrorism financing, financial institutions shall be authorized to suspend the transaction or business relationship for a period up to 5 days, whereas in case of having received the assignment specified under Clause 6, Part 1 of Article 10 of this Law they shall be obligated to suspend the transaction or business relationship for 5 days and immediately file a report with the Authorized Body on a suspicious transaction or business relationship as stipulated under Article 8 of this Law.
2. The Authorized Body shall be authorized to suspend transactions or business relationships for a period up to 5 days based on filed reports, requests from foreign financial intelligence bodies, analysis of information provided by supervisory and criminal prosecution authorities or of other information. The decision of the Authorized Body to suspend a transaction or business relationship should be implemented immediately upon its receipt by the financial institution.

3. Within 5 days from the notice by the financial institution to the Authorized Body on the suspension of a transaction or business relationship, or from the suspension of a transaction or business relationship by the Authorized Body, the Authorized Body shall make a decision either to extend the suspension for a period of another 5 days (in exceptional cases – 10 days) in order to establish the grounds for submitting a notification to criminal prosecution authorities, or to repeal the decision on suspension. In the event that the decision of the Authorized Body is not communicated to the financial institution within the period specified under this Part, the decision on suspension shall be considered as repealed.
4. The decision 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 upon its own initiative or upon the request of the financial institution, when it is determined that the suspicion of money laundering or terrorism financing is groundless.

#### **ARTICLE 27: REFUSAL OR TERMINATION OF TRANSACTION OR BUSINESS RELATIONSHIP**

1. Where the requirements defined under Parts 1 to 7 of Article 16 of this Law cannot be implemented, or an assignment has been received on refusing a transaction or business relationship as specified under Clause 6, Part 1 of Article 10 of this Law, the reporting entity should refuse 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 requirements defined under Parts 1 to 7 of that Article cannot be implemented, or an assignment has been received on terminating a transaction or business relationship as specified under Clause 6, Part 1 of Article 10 of this Law, the reporting entity should terminate the transaction or business relationship and consider recognizing it as suspicious under Article 7 of this Law.
3. Ordering financial institutions should refuse any cross-border wire transfer equal or above the 400-fold amount of the minimum salary, which lack the information specified under Part 1 of Article 20 of this Law, as well as any cross-border wire transfer below the 400-fold amount of the minimum salary, which lack the information specified under Clauses 1 and 2, Part 1 of Article 20 of this Law, and should consider recognizing them as suspicious under Article 7 of this Law.

#### **ARTICLE 28: FREEZING OF PROPERTY OF TERRORISM-RELATED PERSONS**

1. The property owned or controlled, directly or indirectly, by terrorism-related persons included in the lists published by or in accordance with the United Nations Security Council resolutions, as well as in the lists specified under Part 2 of this Article shall be subject to freezing by customs authorities and reporting entities without delay and without prior notice to the persons involved. The state bodies or persons, which have legally defined powers to restrict (arrest, block, freeze, suspend) the possession, use and (or) disposal of the property stipulated in this Part, shall exercise their power in the manner established by the law whenever they disclose such property.
2. The Authorized Body, on its own initiative or upon the request of competent foreign bodies, shall develop, review, and publish lists of terrorism-related persons. Posting such lists on the website of the Authorized Body shall amount to their publication. In case of having information on persons matching the definition of terrorism-related persons as defined under Article 3 of this Law, the involved state bodies, including supervisory and criminal prosecution authorities, as well as reporting entities shall provide to the Authorized Body information on such persons for their inclusion into the lists specified under this Part.

3. Any person included in the lists of terrorism-related persons published by the United Nations Security Council resolutions may apply to the United Nations for delisting. Any person included in the lists of terrorism-related persons published by the Authorized Body may apply to the Authorized Body for delisting, and such application shall be considered in the manner established by the Authorized Body
4. Freezing shall be revoked only by the Authorized Body, if the property has been frozen by mistake, as well as when the criminal prosecution body arrests the frozen property. Freezing of the property of the persons specified under Part 2 of this Article shall also be revoked whenever it is established that the person with frozen property has been removed from the list of terrorism-related persons.
5. A person shall be entitled to request from the Authorized Body access to frozen property to pay for his family, medical, and other expenses as defined by the resolutions of the United Nations Security Council. The decisions on such payments shall be made in accordance with the United Nations Security Council resolutions, if the name of the person is included in the lists of terrorism-related persons published by the United Nations Security Council resolutions.
6. Upon freezing the property of terrorism-related persons, the reporting entity shall without delay proceed to recognize the transaction or business relationship as suspicious under Article 7 of this Law, and to file a report on suspicious transaction or business relationship. In case of freezing (arresting, blocking, or suspending) the property of terrorism-related persons, the state bodies and persons specified under Part 1 of this Article shall without delay notify the Authorized Body on that matter.
7. In the event of receiving an inquiry from foreign financial intelligence bodies or other foreign bodies on freezing property, the Authorized Body shall consider within the same day the grounds for the freezing request. Upon establishing sufficiency of the grounds for the freezing request, the Authorized Body shall make a decision, in the manner specified under this Article, on the freezing of the property.
8. Within 5 days from being notified about the freezing, the Authorized Body shall submit a notification to criminal prosecution authorities in the manner specified under Article 13 of this Law, except for the cases when the Authorized Body makes a decision on unfreezing in the manner established by the law.
9. For the purposes of this Article, the property of bona fide third parties, that is the persons who, when passing the property to another person, did not know or could not have known that it would be used or was intended for use in criminal purposes, including those of terrorism or terrorism financing, as well as the persons who, when acquiring the property, did not know or could not have known that it was the proceeds of a criminal activity, shall not be subject to freezing.

## **CHAPTER 8**

### **SUPERVISION OVER COMPLIANCE WITH REQUIREMENTS OF LAW AND LEGAL STATUTES ADOPTED ON BASIS THEREOF; RESPONSIBILITY FOR NON-COMPLIANCE OR INADEQUATE COMPLIANCE WITH SUCH REQUIREMENTS**

#### **ARTICLE 29: SUPERVISION OVER REPORTING ENTITIES AND NON-COMMERCIAL ORGANIZATIONS**

1. Supervision over reporting entities for their compliance with the requirements of this Law and the legal statutes adopted on the basis thereof shall be exercised by relevant supervisory authorities. The Authorized Body may exercise supervision – in the manner established under Chapter 5.1 of the Republic of Armenia Law on the Central Bank of the

Republic of Armenia – over those types of reporting entities, for which there is no legally defined supervisory authority or a legislative regulatory framework for the supervisory authority to perform the functions assigned to it in the field of combating money laundering and terrorism financing.

2. In the manner established by the law, as well as upon the request of the Authorized Body, supervisory authorities shall conduct on-site inspections of reporting entities to review their compliance with the requirements to prevent money laundering and terrorism financing, and to assess the risks.
3. Bodies with supervision authority over non-commercial organizations shall, upon the request of the Authorized Body, take measures to prevent the involvement or usage of non-commercial organizations in money laundering or terrorism financing. Non-commercial organizations shall be obligated to maintain, in the manner and timeframe established 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 the 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 the law, also criminal prosecution authorities may request information (including documents) related to money laundering or terrorism financing from non-commercial organizations or from their supervisory authorities.

**ARTICLE 30: RESPONSIBILITY FOR NON-COMPLIANCE OR INADEQUATE COMPLIANCE WITH REQUIREMENTS OF LAW OR LEGAL STATUTES ADOPTED ON BASIS THEREOF**

1. Reporting entities or their employees (managers) cannot be subject to property responsibility for duly performing their obligations under this Law, as well as to criminal, administrative or other responsibility in case of duly performing their obligations stipulated under Article 6 of this Law. The Authorized Body or its employees cannot be subject to criminal, administrative or other responsibility in case of duly performing their obligations under this Law.
2. Non-compliance or inadequate compliance with the requirements of this Law or the legal statutes adopted on the basis thereof by financial institutions shall result in responsibility measures, as established by the legislation regulating their activities, in the manner provided for under such legislation.
3. Financial institutions operating within a legislative and regulatory framework, which does not provide for any responsibility measures for non-compliance or inadequate compliance with the requirements of this Law and the legal statutes adopted on the basis thereof, shall be subject to responsibility measures specified under Part 4 of this Article for legal persons that are non-financial institutions or entities.
4. Non-compliance or inadequate compliance with the requirements of this Law or the legal statutes 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 inadequate compliance with the requirements under Article 4 of this Law shall result in a warning or a fine equal to the 200-fold amount of the minimum salary;

- 2) Failure to file reports under Part 2 of Article 6 of this Law (including failure to recognize a transaction or business relationship as suspicious in cases stipulated under Part 1, Article 7 of this Law), or late filing shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;
- 3) Failure to file reports under Part 3 of Article 6 of this Law, or late filing, as well as entering incorrect (including false or unreliable) or incomplete data in the reports, or making structural alterations in the reporting forms shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 200-fold amount of the minimum salary;
- 4) Non-compliance or inadequate compliance with the requirement under Part 5 of Article 6 of this Law shall result in a warning or a fine equal to the 600-fold amount of the minimum salary;
- 5) Non-compliance or inadequate compliance with the requirement under Part 3 of Article 7 of this Law shall result in a warning or a fine equal to the 300-fold amount of the minimum salary;
- 6) Non-compliance or inadequate compliance with the requirement under Parts 5 and 6 of Article 9 of the Law shall result in a warning or a fine equal to the 200-fold amount of the minimum salary;
- 7) Non-compliance or inadequate compliance with the requirement under Clauses 4 and 6, 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 equal to the 600-fold amount of the minimum salary;
- 8) Non-compliance or inadequate compliance with the requirements under Article 16 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;
- 9) Non-compliance or inadequate compliance with the requirements under Article 17 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 200-fold amount of the minimum salary;
- 10) Non-compliance or inadequate compliance with the requirements under Article 18 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 200-fold amount of the minimum salary;
- 11) Non-compliance or inadequate compliance with the requirements under Article 21 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;
- 12) Non-compliance or inadequate compliance with the requirements under Article 22 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;
- 13) Non-compliance or inadequate compliance with the requirements under Article 23 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 200-fold amount of the minimum salary;
- 14) Non-compliance or inadequate compliance with the requirements under Article 24 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;
- 15) Non-compliance or inadequate compliance with the requirements under Article 25 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 200-fold amount of the minimum salary;
- 16) Non-compliance or inadequate compliance with the requirements under Article 26 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;

- 17) Non-compliance or inadequate compliance with the requirements under Article 27 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 600-fold amount of the minimum salary;
  - 18) Non-compliance or inadequate compliance with the requirements under Article 28 of this Law shall result in a warning and an assignment to eliminate the violation, or a fine equal to the 2,000-fold amount of the minimum salary.
5. Non-compliance or inadequate compliance with the requirements of this Law or the legal statutes adopted on the basis thereof by natural persons that are non-financial institutions or entities shall result in responsibility established by the Republic of Armenia Code of Administrative Violations.
  6. Responsibility measures with regard to non-financial institutions or entities licensed (appointed, qualified, or otherwise permitted to have activities) by a supervisory authority shall be applied by the respective supervisory authority, in the manner established by the law.
  7. The Authorized Body shall apply responsibility measures in the manner established by the law with regard to the types of reporting entities, for which there is no legally defined supervisory authority or a legislative regulatory framework for the supervisory authority to perform the functions assigned to it in the field of combating money laundering and terrorism financing, as well as with regard to legal or natural persons that are not reporting entities.
  8. Unauthorized disclosure of classified information in the possession of the Authorized Body as defined by this Law or the legal statutes adopted on the basis thereof, as well as of information constituting commercial and official secrecy, by employees of the Authorized Body shall result in responsibility established by the law.
  9. Non-compliance or inadequate compliance with the requirements of this Law or the legal statutes of the Authorized Body by the officials of state bodies shall result in responsibility established by the Republic of Armenia Code of Administrative Violations.

#### **ARTICLE 31: RESPONSIBILITY FOR LEGAL PERSONS INVOLVEMENT IN MONEY LAUNDERING OR TERRORISM FINANCING**

1. Involvement of legal persons (except for those that are reporting entities) in money laundering shall result in a fine equal to the 2,000-fold amount of the minimum salary, and may also result in bringing a suit to the court for dissolving the legal person in the manner established by the law.
2. Involvement of legal persons that are reporting entities in money laundering shall result in a fine equal to the 5,000-fold amount of the minimum salary, and may also result in revoking or suspending or terminating the person's license, or in bringing a suit to the court for dissolving the legal person in the manner established by the law.
3. Involvement of legal persons (except for those that are reporting entities) in terrorism financing shall result in a fine equal to the 10,000-fold amount of the minimum salary, as well as in bringing a suit to the court for dissolving the legal person in the manner established by the law.
4. Involvement of legal persons that are reporting entities in terrorism financing shall result in a fine equal to the 20,000-fold amount of the minimum salary, as well as in revoking or terminating the person's license, or in bringing a suit to the court for dissolving the legal person in the manner established by the law.
5. Involvement of legal persons in money laundering may arise when:
  - 1) The action, or the failure to act, by any representative of the legal person for the benefit or on behalf of the legal person results in a deed stipulated under Article 190 of

- the Republic of Armenia Criminal Code, for which a conviction has been passed by the court with regard to the said person; or
- 2) The representative of the legal person has not been subjected to criminal responsibility due to circumstances not excluding criminal proceedings or criminal prosecution, except for the cases of withdrawing or terminating criminal prosecution due to an amnesty act or the person's decease; or
  - 3) In the reasonable judgment of the supreme management body of the Authorized Body, money laundering has taken place due to the action, or the failure to act, on behalf of the legal person by any representative of the legal person.
6. Involvement of legal persons in terrorism financing may arise when:
- 1) The action, or the failure to act, by any representative of the legal person on behalf of the legal person results in a deed stipulated under Article 217.1 of the Republic of Armenia Criminal Code, for which a conviction has been passed by the court with regard to the said person; or
  - 2) The representative of the legal person has not been subjected to criminal responsibility due to circumstances not excluding criminal proceedings or criminal prosecution, except for the cases of withdrawing or terminating criminal prosecution due to an amnesty act or the person's decease; or
  - 3) In the reasonable judgment of the supreme management body of the Authorized Body, terrorist financing has taken place due to the action, or the failure to act, on behalf of the legal person by any representative of the legal person.
7. When substantiating involvement of a legal person in money laundering and terrorism financing, the supreme management body of the Authorized Body may ground its decision on the circumstance that the action, or the failure to act, by the representative of the legal person fully or partially matches with the typologies.
8. Responsibility measures defined under this Article shall be applied to legal persons registered or operating in the territory of the Republic of Armenia.
9. Responsibility measures defined under this Article shall be applied by the Authorized Body, in the manner established by the law. At that, in the cases stipulated under Clause 3 of Part 5 and Clause 3 of Part 6 of this Article, responsibility measures defined under this Article shall be applied by the supreme management body of the Authorized Body.
10. Within 5 days from initiating the proceedings to apply responsibility measures defined under this Article to non-financial institutions, the Authorized Body shall notify the relevant supervisory authority on that matter.
11. In the cases stipulated under Clause 1 of Part 5 and Clause 1 of Part 6 of this Article, responsibility measures defined under this Article may be applied to the legal person within one year from passing the relevant conviction by the court with regard to the representative of the legal person.
12. When criminal responsibility has not been imposed due to an amnesty act or the person's decease, the Authorized Body may apply responsibility measures defined under this Article within one year from the moment it came to know or might have known about the emergence of such circumstances.
13. In the cases of legal persons' involvement in money laundering and terrorism financing other than those stipulated under Parts 11 and 12 of this Article, responsibility measures defined under this Article may be applied within ten years from the commission of money laundering and terrorism financing.

## **CHAPTER 9 TRANSITIONAL PROVISIONS**

**ARTICLE 32: TRANSITIONAL PROVISIONS**

2. This Law shall enter into force on the 90<sup>th</sup> day after its official publication.
3. In connection with 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, and entities providing trust management and company registration services, the registration requirement under Part 5 of Article 9 of this Law shall take effect only upon establishing the requirements for the licensing (appointment, qualification, or otherwise permission of the activities) in the manner established by the law, and for exercising relevant supervision.

**S. SARGSYAN  
PRESIDENT  
REPUBLIC OF ARMENIA**