

**THE LAW OF THE REPUBLIC OF ARMENIA
ON CENTRAL BANK OF ARMENIA**

(Adopted on June 30, 1996)

Article 5. The Other Objectives of the Central Bank

1. The other objectives of the Central Bank are:

- a) to ensure necessary conditions for the stability, solvency, liquidity and normal activities of the banking system of the Republic of Armenia;
- b) to create an effective settlement and payment system; and
- c) to issue currency of the Republic of Armenia, and organize and regulate money circulation.

2. In order to perform its objectives, the Central Bank, in accordance with the legislation shall:

- a) exercise bank servicing of the Government;
- b) be the financial agent and advisor to the Government;
- c) license banks, and in cases envisaged by the legislation, other persons; and shall regulate and supervise their activities;
- d) extend loans to banks as the lender-of-last-resort;
- e) regulates and supervises payment and settlement system activities, including non-bank payment and settlement servicing organizations;
- f) owns, uses, manages international reserves of the Republic of Armenia; and
- g) collect, finalize and promulgate monetary and bank statistics (administrative statistics).

Article 36. Regulation and Licensing of Activities of Banks, and Other Financial and Crediting Organizations

1. The Central Bank, in conformity with the Law, establishes the main and other economic normatives for the activities of the banks, the procedure for their computation, the procedures for provisioning for the coverage of potential losses, and the rules for capital computations.

2. The Central Bank, in accordance with the order established by the Law, licenses banking activities, supervises and audits banks and other financial institutions established and/or operating in the RA, and their financial situation, defines formats for reports and statements submitted by them to the Central Bank, terms and deadlines for their submission. Banking supervision is the exclusive prerogative of the Central Bank. The Central Bank, in cases envisaged by the legislation, may apply fines and other defined sanctions to banks and other financial and crediting organizations.