

THE LAW OF THE REPUBLIC OF ARMENIA

ON SECURITIES MARKET

(Adopted on October 11, 2007)

Article 3. Main Concepts Used in this Law

For the purpose of this Law:

27) **Investment service provider** means an investment firm, branch of foreign investment firm, bank and credit organization.

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34) **Significant participation** is a direct or indirect participation that gives 10% or more voting right in the statutory capital of the legal entity.

Significant participation is considered to be **direct** if the participant acts on his own behalf.

Significant participation is considered to be indirect when:

- a. the participant controls the legal entity irrespective of participation or size of participation in the statutory capital of the latter, or
- b. the participant controls a legal entity which has direct significant participation in the statutory capital of the legal entity.

Article 33 License for Provision of Investment Services

1. Provision of investment services shall be prohibited without the license issued in the procedure defined by this Law and by the regulations adopted based on this Law, except

for the cases specified by this Law.

2. The investment services provision license shall be given for an unrestricted period of time.

3. The license or the rights embedded in that license may not be pledged, transferred or otherwise disposed.

4. The license shall be issued or recognized void in conformity with the decision of the Central Bank. The license shall be recognized void exclusively in the procedure defined by this Law. In case of definition of other provisions regarding the recognition of invalidity of the license by other laws, the provisions of this Law shall prevail.

5. The investment services provision license shall contain total the full name of the investment firm and registration number, type or types of investment services permitted by the license, issuance date of the license and the number of the license.

6. A uniform license shall be established by regulations of the Central Bank.

7. The procedure for registration and licensing of investment firms shall be set forth exclusively by this Law and regulations of the Central Bank. In case of definition of other provisions with regard to the licensing of investment firms by other laws, the provisions of this Law shall prevail.

Article 34. Scope of the License

1. The license shall be issued for providing one or more types of investment services.

2. The license may not be issued for provision of non-principal services.

3. The investment firm may render only that service (those services) for which the license was issued. For the purpose of providing additional investment services, the investment

firm shall be issued additional license.

4. Unless otherwise specified by this Law, the investment firm may render all non-principal services.

Article 35. Provision of Investment Services by the Banks and Credit Organizations

1. Banks and credit organizations may render investment services without holding an investment services providing license.

2. In case of provision of investment services, the bank, the credit organization shall be required, in accordance with the procedure specified by regulations of the Central Bank, to make prior notification about that to the Central Bank, at least 15 days before commencement of provision of those services.

24

3. Being guided by its regulation, the Central Bank shall have the right to prescript additional requirements to the banks and credit organizations targeted at organization of provision of investment services and ensuring financial detachment inside the structure of banks, credit organizations.

4. The Central Bank shall have the right to stipulated additional requirements for investment firms by its regulations in the pursuit of ensuring organizational and financial separateness of credit activities in the structure of the above companies.

Article 36. Registration and Licensing of the Investment firm

1. For the purpose of state registration and licensing of the investment firm, the founders or

authorized persons thereto shall submit to the Central Bank the documents mentioned below, in compliance with the form and content specified by regulations of the Central Bank:

- 1) application for registration and licensing;
- 2) the business plan of the investment firm;
- 3) the Charter of the investment firm in 6 copies as approved by the Board of Founders of the investment firm;
- 4) information on the shareholders (participants) of the investment firm;
- 5) the decision of the Board of Founders of the investment firm on appointment of managers for the investment firm;
- 6) information on managers of the investment firm, samples of the their signatures ratified by notary, copies of certificates of their professional qualification;
- 7) documents of significant participants of the investment firm defined by this Law and regulations of the Central Bank adopted on the basis of Point 3, Point 4 and Point 5 under Article 54 of this Law for getting preliminary permission for significant participation.
- 8) draft rules of the investment firm's activity;
- 9) the document verifying the payment of the Charter Capital of the investment firm to the account opened in the Central Bank or in any other bank not affiliated with that company but acting on the territory of the Republic of Armenia;
- 10) the list of staff members implementing investment services provision activity inside the structure of the investment firm or on its behalf and copies of the documents

verifying their professional qualification;

11) the announcement on compliance of the activity area of the investment firm with the criteria set forth by the Central Bank;

12) the state duty payment receipt;

13) other documents defined by regulations of the Central Bank.

2. The Central Bank may require additional information and documents that are essential for estimation of accuracy of the documents and the information provided for by Point 1 of this Article. By its regulations, the Central Bank may define exceptions for submission of

25

certain documents and information provided for by Point 1 of this Article, for the branches of foreign investment firms, non-resident significant participants and managers, if provision of such information or documents is restricted by the legislation of the country in question or if the above do not apply to the given person.

3. For the purpose of obtaining a license for provision of an additional investment service an acting investment firm shall submit the following documents in the form and content as defined by the regulations of the Central Bank:

1) the application for license for provision of additional investment services;

2) amendments made to the business plan of the investment firm;

3) amendments made to the rules of the activity of the investment firm;

4) other documents defined by regulations of the Central Bank

4. If during the examination of the application, amendments are made to the information required by the application and by the documents attached to that application, the

applicant shall be obligated to provide the amended information, before the Central Bank makes a decision on registration and issuance of the license or on rejection of registration and issuance the license. If this is the case, the application shall be considered submitted from the moment the Central Bank receives the amended information and documents.

Article 37. Decision on Registration and Licensing

1. The Central Bank shall make a decision on registration of the investment firm and on issuance of the license, if the submitted information and documents comply with this Law, other laws and legal acts and there are no bases defined by this Law to reject the registration of the investment firm and to reject the issuance of the license.
2. The Central Bank shall be obligated, within a 5-day period from the moment it makes a decision on registration and issuance of the license, to give the registration certificate and the license to the investment firm.
3. The Central Bank shall register and license the investment firm or shall reject the registration and licensing of the investment firm within one month from the moment the Founders of the investment firm submit the application. The Central Bank shall render the decision on issuance of the license for provision of additional investment services within 20 days from the moment it receives the application for the license.
4. Within a 5 day-period after making the decision on registration of the investment firm, the Central Bank shall notify about that the state authorized body implementing registration of legal entities, to make a corresponding recording of the registration of the investment firm.
5. From the moment the investment firm is registered at the Central Bank, it shall acquire the

status of a legal entity.

6. Within 3 business days following the day of making the decision on issuance or rejection of the license, the Central Bank shall grant the license to the entity that submitted the application.

Article 38. Bases for Rejecting the Registration and Licensing Application

The Central Bank shall reject registration and licensing of the investment firm or granting the license for additional investment services activity, if:

- 1) the submitted documents do not comply with this Law, with the regulations adopted based on this Law, are false or incomplete or the information contained therein is not reliable;
- 2) the managers of the company do not meet the requirements set forth in Article 58 of this Law.
- 3) the investment firm does not meet the requirements for provision of investment services defined by this Law and other legal acts;
- 4) the Charter of the investment firm contradicts the law;
- 5) the Central Bank has rejected or rejects any of the applications for getting preliminary consent for acquisition of significant participation in the investment firm;
- 6) the business plan does not correspond to the requirements set forth by this Law and the regulations adopted by the Central Bank on the basis of Article 40 of this Law.
- 7) per the justified opinion of the Central Bank, the business plan is unrealistic or by acting in compliance with that plan, the investment firm may not render investment services in due manner;

- 8) per the justified opinion of the Central Bank, the activity, financial position, negative reputation or absence of experience in the financial sphere of the Founders of the investment firm or of the entities affiliated with them may jeopardize the interests of customers or may hinder proper provision of investment services by the investment firm or duly implementation of supervision by the Central Bank;
- 9) nonpayment of the minimum amount of the charter capital defined by the Central Bank on the basis of Article 73 of this Law;
- 10) the investment firm does not have adequate area or is not technically equipped to comply with the requirements defined by regulations of the Central Bank.

Article 41. Recognition of Invalidity of the Licensee in Liquidation, Reorganization, Bankruptcy of the Company and in other Cases Defined by the Law

The Board of the Central Bank, not as a sanction, shall recognize void the license of the investment firm, registration of the branch of a foreign investment firm acting in the Republic of Armenia on liquidation, reorganization, bankruptcy and other bases defined by the law.

Article 42. Recognition of Invalidity of the License and its Legal Consequences

1. The License may be recognized void wholly or per separate types of investment services. In case of recognition of invalidity of the license per separate types of investment services, the investment firm shall be deprived of the right to render the given type of investment service, with the exception of those transactions that are directed to fulfillment of

obligations undertaken by the investment firm with regard to the provision of the given investment service, sale of resources and their final distribution.

2. The license shall be recognized void, if:

1) after issuance of the license, the investment firm did not render investment services for 12 months uninterruptedly;

2) in applying to the Central Bank, the investment firm submitted misleading or unreliable information or false documents;

3) the investment firm published or submitted to the Central Bank misleading, unreliable information or false documents;

4) the investment firm or its management made periodic (two and more) or significant violations of the requirements of this Law, other laws, regulations adopted based on this Law, as well as of internal legal acts of the investment firm;

5) the investment firm did not fulfill the assignment given by the Central Bank in accordance with this Law within the defined period or amount;

6) prudential standards defined by this Law and regulations of the Central Bank adopted on this basis were violated, in the amount specified by the regulations of the Central Bank;

3. Registration of the branch of a foreign investment firm established on the territory of the Republic of Armenia shall be recognized void also in the case when the foreign investment firm was deprived of the right to render investment services in the country where it is registered or where it carries out its main activity.

4. The license wholly or per separate types of investment services may be recognized void based on the application of the investment firm, provided that the legitimate interests of the customers of the investment firm are not properly protected.

5. The Central Bank may reject the application provided for by Point 4 of this Article on recognition of invalidity of the license, if there are sufficient bases to conclude that the recognition of invalidity of the license may damage the interests of investors and other customers.

6. Within 30 days from the moment the Central Bank receives the application provided for by Point 4 of this Article, it shall make a decision on recognizing void of the license wholly or per separate types of investment service or on rejection of the application.

7. Before making a decision on recognizing void of the license based on Point 2 of this Article, the Central Bank may instruct the investment firm within the defined period to eliminate the violations that are the bases for recognition the license void.

8. In case the license is wholly recognized void, it shall be returned to the Central Bank within 3 days.

9. From the day when the decision on recognizing the license completely void becomes effective, the investment firm shall be deprived of the right to render investment services, except for those transactions that are directed to fulfillment of obligations undertaken by the investment firm, sale of resources and their final distribution. From the moment the decision of the Central Bank on recognition of the license completely void becomes effective, the investment firm shall be subjected to liquidation in the procedure defined by the law.

10. Based on the bases specified by this Article, the decision of the Central Bank on recognizing the license void shall be immediately published. The aforementioned decision shall become effective from the moment of its publication, unless other period is specified by that decision.

11. The copy of the decision of the Board of the Central Bank on revocation of the license shall be provided to the investment firm within 3 days after its adoption. Court appeal of the Board decision of the Central Bank on revocation license shall not suspend the effect of that decision throughout the entire period of the court proceeding.

Article 43. Registration of the Branch and Representation of the Foreign Investment firm to be Established on the Territory of the Republic of Armenia

1. Foreign investment firms may establish a branch on the territory of Armenia by registering it with the Central Bank, in accordance with the procedure defined by this Law and regulations of the Central Bank.

2. To register a branch of the foreign investment firm for its establishment on the territory of the Republic of Armenia, the foreign investment firm shall submit to the Central Bank the following documents and information, in the form and content set forth by regulations of the Central Bank:

- 1) the application for registration of the branch;
- 2) the decision of the corresponding management body of the foreign investment firm regarding the establishment of a branch in the Republic of Armenia;
- 3) the Charter of the branch approved by the corresponding management body, in 6 copies;

- 4) operation rules of the branch;
- 5) the copies of the registration certificate, the Charter or other founding documents and the investment services provision license, pursuant to the legislation of the registering country of the investment firm, ratified by the notarial procedure, in Armenian;
- 6) financial statements of the foreign investment firm for the recent three years prepared in compliance with International Accounting Standards, as well as an independent audit opinion on those statements;
- 7) a reference on the entities having significant participation in the foreign investment firm;
- 8) the business plan of the branch;
- 9) the decision made by the corresponding authorized body of a foreign country on giving permission or on not denying the establishment of the branch in the Republic of Armenia or other document, if such document is required by the legislation of the given country;
- 10) a reference granted by the authorized body of the corresponding foreign country specifying that the foreign investment firm has permission for rendering investment services and renders investment services in compliance with the legislation of the given country;
- 11) the decision of the corresponding management body of the foreign investment firm on appointing managers for the branch of the investment firm;
- 12) a reference on the activity of the managers of foreign investment firm's branch and the ratified samples of their signatures;
- 13) the state duty payment receipt;
- 14) a statement on compliance of the location of the branch of the foreign investment firm with

the criteria defined by regulations of the Central Bank;

15) other documents defined by regulations of the Central Bank.

3. By its regulations, the Central Bank may set additional conditions for providing investment services by the branches of foreign investment firms on the territory of the Republic of Armenia. Those conditions shall be the same for all branches of all foreign investment firms acting on the territory of the Republic of Armenia.

4. The foreign investment firm may establish a representation on the territory of the Republic of Armenia by registering it with the Central Bank, in the procedure defined by this Law and by regulations of the Central Bank.

5. To register the representation of the foreign investment firm on the territory of Armenia, the foreign investment firm shall submit the following documents to the Central Bank, in the form and content set forth in regulations of the Central Bank:

1) an application for registration of the representation;

2) the decision of the corresponding management body of the foreign investment firm regarding the establishment of a representation in the Republic of Armenia;

3) the Charter of the representation, in 6 copies;

4) the copies of registration certificate, the Charter or other founding documents and the investment services provision license, pursuant to the legislation of the registering country of the investment firm, ratified by the notarial procedure, in Armenian;

5) financial statements of the foreign investment firm for the recent three years prepared in compliance with International Accounting Standards, as well as an

independent audit opinion on those statements;

6) a reference on the entities having significant participation in the foreign investment firm;

7) the decision made by the corresponding authorized body of a foreign country on giving permission or on not denying the establishment of the representation in the Republic of Armenia or other document;

8) a reference granted by the authorized body of the corresponding foreign country specifying that the foreign investment firm has permission for rendering investment services and renders investment services in compliance with the legislation of the given country;

9) other documents defined by regulations of the Central Bank.

6. The Central Bank shall make a decision on registration of the branch or representation of the foreign investment firm, if the submitted documents and information comply with this Law, other laws and legal acts and there are no bases for rejection defined by this Law regarding the registration of the branch or representation of the foreign investment firm.

7. Within a 5-day period from the moment the Central Bank makes the decision defined by Point 6 of this Article, it shall have the right to give the registration certificate to the foreign investment firm.

8. The Central Bank shall register the branch or representation of the foreign investment firm or shall reject the registration within a 30-day period from the moment the foreign investment firm submits the application.

9. Within a 5-day period after making the decision on registration of the branch or representation of the foreign investment firm, the Central Bank shall notify about that the state authorized body implementing registration of legal entities, to make a corresponding recording of the registration of the branch or representation of the foreign investment firm.

10. In the cases defined by its regulations, the Central Bank may require additional information that is necessary for estimation of accuracy of the information specified in Points 2 and 5 of this Article.

11. The Central Bank may determine waiver to submission of certain documents as specified in Point 2 and Point 5 of this Article in the cases defined by its regulations where the ability of submitting such documents or information is restricted by the legislation of the given country or such documents and information do not apply to the person in question.

Article 44. Bases for Rejecting the Application for Registration of the Branch and Representation of the Foreign Investment firm to be Established on the Territory of the Republic of Armenia

1. The Central Bank may reject registration of the branch of the foreign investment firm on the territory of the Republic of Armenia, if:

1) the submitted documents are false or incomplete or the information contained therein is not reliable;

2) the managers of the branch of the foreign investment firm do not meet the requirements

set forth in Article 58 of this Law, the foreign investment firm or the branch to be established within the territory of the Republic of Armenia does not meet the requirements for providing investment services, defined by this Law and other legal acts;

3) the operation rules of the branch of the foreign investment firm do not comply with the requirements set forth by this Law and by regulations of the Central Bank adopted on the basis of Article 59 of this Law.

4) the branch of the foreign investment firm does not have an adequate location or is not technically equipped to comply with the requirements of normative legal of the Central Bank;

5) the submitted business plan does not correspond to the requirements set forth in this Law and regulations of the Central Bank adopted on this basis;

6) per the justified opinion of the Central Bank, the business plan is unrealistic or by acting in compliance with that plan, the branch of the foreign investment firm may not render investment services in due manner;

7) per the justified opinion of the Central Bank, the activity, financial position, negative reputation or absence of experience in the financial sphere of the significant participants of the foreign investment firm or of the entities affiliated with them may jeopardize the interests or rights of customers or may hinder proper provision of investment services by the branch of the foreign investment firm or proper implementation of supervision by the Central Bank;

8) the given country does not give allow the Central Bank to examine or implement proper supervision of the branch pursuant to the statute;

9) per the justified opinion of the Central Bank, the branch of the foreign investment firm intends to circulate resources acquired in an illegal manner.

2. The Central Bank may reject registration of the representation of the foreign investment firm,

if:

1) the submitted documents are false or incomplete or the information contained therein is not reliable;

2) the Charter of the representation of the foreign investment firm contradicts the law;

3) per the justified opinion of the Central Bank, the representation of the foreign investment firm intends to circulate resources acquired in an illegal manner.

Article 45. Branches and Representative Offices of Investment firms Operating in the Republic of Armenia

1. The investment firm operating within the territory of the Republic of Armenia can establish a branch and representative office in the Republic of Armenia, in procedures established by this Law and other legal acts.

2. A branch of the investment firm is a separate division of the investment firm that has no status

of legal entity and is located outside of the venue of the investment firm, and acts within the scope of authorities vested in it by the investment firm and renders investment services on its behalf. The branch can render only those investment services for which it was issued a license.

3. A representative office of the investment firm is a separate division of the investment firm that

has no status of legal entity and is located outside of the venue of the investment firm, and represents the investment firm, studies the securities market, signs contracts on behalf of the investment firm, carries out other similar functions. The representative office has no right to render investment services.

4. The branches to be founded within the territory of the Republic of Armenia by investment firms

operating in the Republic of Armenia shall be registered with the Central Bank, submitting the following documents of the form and content established by regulations of the Central Bank:

- 1) Solicitation of the investment firm;
- 2) Resolution of the authorized management body of the investment firm or an extract from its protocol on branch foundation;
- 3) Charter of the branch to be founded;
- 4) Reference on activities of managers of the branch to be founded;
- 5) Business plan of the branch to be founded;
- 6) Statement on allocation of area for the branch, as well as compliance of its technical refurbishment with the criteria established by regulations of the Central Bank;
- 7) Other documents established by regulations of the Central Bank.

5. In order to register its representative office to be founded within the territory of the Republic of

Armenia with the Central Bank, the investment firm operating in the Republic of Armenia shall submit the following documents of the form and content established by regulations of the

Central Bank:

- 1) Solicitation of the investment firm;
 - 2) Resolution of the authorized management body of the investment firm or an extract from its protocol on foundation of the representative office;
 - 3) Charter of the representative office to be founded;
 - 4) Other documents established by regulations of the Central Bank.
6. Within 30 days of the submission of the solicitation and the required documents specified by this Article, the Central Bank shall register the branch or representative office and issue a registration certificate, and in case of registration refusal, shall inform the investment firm about the grounds for denial, within 5 working days.
7. Within five days after resolution on registration of the branch or representative office, the Central Bank shall notify about that the authorized state body that registers legal entities, to make corresponding record by the latter on registration of the branch or representative office.
8. The procedures and conditions for the cessation of activity of branch and representative office, including suspension, shall be established by of the board of the Central bank. The Central bank may not allow cessation or suspension of activity of a branch or representative office, if the suspension of activity of branches or representative offices endangers the interests of clients.

Article 46. Grounds for Refusal to Registration of a Branch or Representation created within the territory of the Republic of Armenia by an Investment Firm operating within the Territory of the Republic of Armenia

1. The Central bank may deny the investment firm's solicitation for registration of the branch to be founded within the territory of the Republic of Armenia, if:

- 1) the submitted documents and information are incomplete, unreliable or false;
- 2) the location or technical capacity of the branch of the investment firm do not meet the requirements established by regulations of the Central Bank;
- 3) managers of the branch of the investment firm do not meet the criteria established by this Law;
- 4) the investment firm has violated prudential standards during the year preceding the submission of the branch registration documents to the Central Bank, or foundation of the branch according to the justified opinion of the Central Bank may lead to deterioration of the investment firm's financial position;
- 5) business plan of the branch does not meet the requirements established by this Law and regulations of the Central Bank adopted on the basis of Article 40 of this Law;
- 6) in the reasonable judgment of the Central Bank, business plan of the branch is unrealistic or operating in accordance with the business plan, the branch of the investment firm will be unable to normally render investment services.

1. The Central Bank may refuse the investment firm's solicitation for registration of the representative office to be established within the territory of the Republic of Armenia, if:

- 1) the submitted documents and information are incomplete, unreliable or false;
- 2) in the reasonable judgment of the Central bank, opening of the representative office may lead to deterioration of the investment firm's financial position.

Article 47. Foundation of Branches and Representative Offices outside the Territory of the Republic of Armenia by Investment firms Operating within the Territory of the Republic of Armenia

1. While founding branches and representative offices out of the territory of Armenia, the investment firm operating within the territory of the Republic of Armenia shall receive the preliminary consent of the Central Bank, presenting the following documents of the form and content established by regulations of the Central Bank:

- 1) Solicitation on getting preliminary consent for foundation of a branch or representative office outside the territory of the Republic of Armenia;
- 2) Business plan of the branch or representative office to be founded outside the territory of the Republic of Armenia;
- 3) Other documents established by regulations of the Central Bank.

2. The Central Bank shall render the decision on preliminary consent to establishment of a branch or representative office outside the territory of the Republic of Armenia by the investment firm, if the submitted documents and information comply with this Law, other laws and legal acts, provided information is correct and reliable, and there are no grounds for rejection as defined in Article 48 of this Law to authorization of a branch or representative office established by the investment firm outside the territory of the Republic of Armenia.

3. The Central Bank shall give its consent to the investment firm to found a branch or representative office outside the territory of the Republic of Armenia or reject the solicitation within 30 days upon its submission to the Central Bank.

4. After registration (licensing, patenting) of its branch or representative office in another country

according to the procedures set forth by the legislation of the corresponding country, the investment firm shall be obligated to record it with the Central Bank in 10 days, submitting a document justifying the fact of registration (licensing, patenting).

5. Within five days upon recording of the branch or representative office outside the territory of

the Republic of Armenia, the Central Bank shall notify about it the authorized state body that registers legal entities, to make corresponding record by the latter on registration of the branch or representative office.

Article 48. Grounds for Refused Consent to Establishment of a Branch or Representation outside the Territory of the Republic of Armenia by an Investment firm Operating within the Republic of Armenia

The Central Bank may not give its consent to the investment firm to establish a branch or representative office outside of the territory of the Republic of Armenia, if:

1) the submitted documents are false or incomplete, or information provided in them is unreliable;

2) in the reasonable judgment of the Central bank, opening of the branch or representative office will lead to deterioration of the investment firm's financial position;

3) in case of founding a branch or representative office outside the territory of the Republic of Armenia, in the Central Bank's reasonable judgment the authorized state

body registering foreign investment firm is not carrying out adequate control in accordance with the international criteria over the activities of investment firms registered in the given country, or the given country does not provide opportunity to the Central Bank to check-up or oversight adequately the branch or representative office to be founded;

4) in case of founding a branch or representative office outside the territory of the Republic of Armenia, the investment firm does not prove the necessity of opening a branch and representative office in the given country or in the reasonable judgment of the Central Bank it is planning to put into circulation funds obtained illegally or support their turnover;

5) the business plan of the branch does not meet the requirements set forth by this Law or regulations of the Central Bank adopted on the basis of Article 40 of this Law;

6) in the reasonable judgment of the Central bank, business plan of the branch is unrealistic or operating in accordance with the business plan, the branch of the investment firm will be unable to normally render investment services.

7) the investment firm has been in violation of any prudential standard during the year preceding the moment of submission of documents to the Central Bank on getting preliminary consent to establish a branch or representative office, or establishment of the branch may according to the justified opinion of the Central Bank lead to deterioration of the investment firm's financial position.

Article 49. Provision of Investment Services in the Republic of Armenia by Foreign

Investment Service Provider

A foreign investment firm may provide investment services within the territory of the Republic of

Armenia exclusively on the basis of a subsidiary or branch established within the territory of the Republic of Armenia.

Article 50. Requirement for Professional Qualification

1. Physical persons without professional qualification as stipulated in Point 2 of this Article shall be prohibited to act in the name of, or as a part of the investment service provider, or offer provision of such services, as well as hold the position of the executive director of an investment service provider.

2. The procedure for qualification and criteria for professional compliance of managers of the investment service provider (except for managers of structural subdivisions), physical entities providing investment services in the name of or as a part of an investment service provider shall be defined by the regulations of the Central Bank. In defining such criteria the Central Bank shall take into consideration the educational background (qualification) of the person, work experience and skills.

3. The requirement specified in Point 1 of this Article shall not apply to the executive directors of banks and lending organizations that provide investment services. To the position of a manager of the subdivision responsible for provision of investment services by banks and lending organizations can be appointed only the person that has professional qualification meeting the requirements set forth by legal normative acts of the Central Bank.

4. The professional qualification defined under this Article shall be bestowed for a period of one year, the shortest.

Article 51. Deprivation of the Professional Qualification

The Central Bank shall be entitled to deprive an entity of professional qualification, if:

- 1) such entity has intentionally violated laws and other legal acts;
- 2) such entity has been deprived, by the regulated market operator, of the right to execute transactions with in the structure of the investment service provider or on its behalf, for violating, or acting in violation of this Law, regulations adopted in accordance with it and rules of the regulated market or those of the Central Depository;
- 3) such entity has carried out activities which resulted or may result in substantial financial or other losses;
- 4) such entity in the course of employment, carries out unjustified activities jeopardizing the interests of investors, hinders supervision activities of the Central Bank or its employees, performs careless attitude towards official duties, including commitments to the investment service provider and its customers;
- 5) such entity does not fulfill the assignments of the Central Bank or neglects its warnings;
- 6) such entity does not meet the criteria for professional qualification set forth by the Central Bank.

Article 54. Preliminary consent to Acquire Significant Participation

1. The entity (affiliated person thereto) which intends to acquire significant participation in the investment firm or increase its participation so that its participation in the charter capital of the investment firm that provides voting right amounts to at least 20, 50 or 75 percent, must get a preliminary consent from the Central Bank Board.

2. If the entity acquires significant participation in the investment firm or increases its voting-right providing participation exceeding the limits specified in Point 1 of this Article, due to any event or transaction (including transfer of participatory rights as inherited), of which the entity was unaware or could not be aware of, then the entity shall be obligated to notify the Central bank, in procedures set forth by regulations of Central bank, within 10 days upon learning about the acquisition of significant participation or its increase.

3. The entity intending to acquire significant participation in the investment firm shall submit to the Central Bank an application for preliminary consent to acquisition of significant participation. The list of information and documents to be enclosed and attached to the application for preliminary consent, as well as the forms, procedures and conditions for their submission shall be established by regulations of the Central Bank.

4. For the acquisition of significant participation, through the mediation of the investment firm, the entity shall also submit to the Central bank a statement that through its participation no other entity will gain status of entity with significant indirect participation in the investment firm, otherwise that entity shall be obligated to submit to the Central Bank the documents and information on entities acquiring indirect significant participation, specified in regulations of

Central Bank. To acquire the status of indirect significant participation, it is required to get the preliminary consent of the Central Bank Board, in procedures set forth by this Article.

5. In order to get the preliminary consent for acquisition of significant participation, the entity, through mediation of the investment firm, shall also submit to the Central bank substantial and comprehensive grounds (documents, information, etc.) disclosing legitimate origin of resources used for the acquisition of significant participation.

6. The Central Bank may require additional information and documents to verify the reliability of information and documents specified in Points 2 and 3 of this Article.

7. The entity that gets the agreement specified in Point 1 of this Article shall notify the Central Bank of the disposal of the acquired shares (share), in procedures established by regulations of the Central Bank, if:

1) due to the disposal of shares (share), the voting-right-providing participation in the investment firm decreases to less than 10, 20, 50 or 75 percent, or

2) due to the disposal of shares (share), the voting-right-providing participation in the investment firm decreases by more than 10 and more percent.

The requirement for notification specified by this Point shall be effective also in the event that an entity makes a deal, as a result of which the entity stops controlling of the investment firm.

8. If along with the application for licensing of the investment service provision, an application for approval of the acquisition of significant participation is submitted to the Central Bank, then the Central bank shall issue one joint resolution on approval of the license issuance and acquisition of significant participation.

9. Within 30 days after receiving the documents and information required by this Law and regulations of the Central Bank, the latter shall issue a resolution on granting or rejecting preliminary consent for acquisition of significant participation.

10. The Central Bank shall in his decision on giving the preliminary consent specify a period during which such consent shall be effective. The above period may not exceed 6 months.

The entity shall be obligated to immediately inform the Central Bank on acquisition of significant participation, increase of participation or making a deal on gaining control over the investment firm during the aforementioned period.

11. Physical entities that have permanent residence or operate in off-shore territories, as well as

legal entities, entities without status of legal entity or entities related to the entities specified in this Point may acquire participation (regardless of the size of participation) in the investment firm's charter capital due to one or several transactions exclusively in procedures set forth by this Chapter, upon preliminary consent of the Central Bank. The list of the off-shore territories shall be established by the Central Bank Board.

Legal entities created through participation of entities or entities related to them which are specified by this Point may acquire participation (regardless of its size) in the charter capital of the investment firm solely in procedures specified in this Point, upon preliminary consent of the Central Bank.

Article 55. Rejection of the Preliminary consent on Acquisition of Significant Participation.

1. The Central Bank Board may refuse to give consent to acquire significant participation in the

investment firm, if:

- 1) the entity acquiring significant participation refuses to submit or does not submit in a timely manner the documents and information as specified in Article 54 of this Law.
- 2) the documents and information submitted to the Central Bank do not meet the requirements set forth by this Law and regulations, or prove to be false, confusing or incomplete.
- 3) the physical entity acquiring significant participation has been convicted for intentionally committed crime or has an uncancelled conviction;
- 4) the entity acquiring significant participation cannot justify the legitimacy of resources used for the acquisition of participation;
- 5) the entity acquiring significant participation is considered dysfunctional or partially disabled in procedures established by law;
- 6) in the power of a legally effective court decision, the entity acquiring significant participation is deprived of the right to hold positions in financial, economic and legal sectors as explicitly stipulated in the court decision.
- 7) the entity acquiring significant participation is declared bankrupt and has outstanding (non-remitted) debts;
- 8) such transaction is targeted, leads or may lead to the restriction of free economic competition in investment services provision;
- 9) in the past, the entity acquiring significant participation (or affiliated parties thereto) has undertaken such a deed (activity or inactivity), which by the reasonable opinion of the Central Bank Board based on the guidelines set forth by regulations of the Central

bank, may serve a valid ground to believe that its actions as someone that has the voting right during the decision making of the top management body of the investment firm may lead to bankruptcy of the investment firm or deterioration of its financial position or destroy its authority and business reputation;

10) in the reasonable judgment of the Central Bank, the activity of the entity acquiring significant participation or its related entity or character of their relationship with the investment firm may hinder the sufficient supervision implemented by the Central Bank, or the possibility of Central Bank to collect information about the given entity is restricted by its national legislation, if the given entity is a foreign entity.

2. The decision of the Central Bank on rejected consent to acquisition of significant participation

must be well-founded.

3. Within seven days following the resolution on rejection, the Central Bank shall be obligated to

notify the entity that submitted application for preliminary consent to acquire significant participation or its representative.

4. In case of receiving the notification specified in Point 2 of Article 54, as well as in other cases stipulated under the same Point, when it is the Central Bank that reveals the fact that a person has acquired significant participation in the investment firm, the Central Bank may recommend (and in the event of neglected recommendation claim in the court) that the entity, through which and on whose behalf the significant participation is maintained, dispose or otherwise terminate his significant participation in the investment firm within a reasonable period of time.

Article 56. Termination of the Preliminary consent on Acquisition of Significant Participation

1. The Central Bank Board may terminate validity of the preliminary consent on acquisition of significant participation in the investment firm, if any of the grounds specified in Point 1, Article 55 of this Law occur after acquisition of significant participation by the entity in procedures set forth by this Law.

2. In cases provided for under Point 1 of this Article, the Central Bank may recommend (while in the event of neglected recommendation claim in the court) that the participation in the investment firm be alienated or otherwise terminated within reasonable period of time.

Article 57. Legal Consequences of Illegal Acquisition of Significant Participation

1. Any transaction on acquisition of significant participation in the investment firm concluded in violation of any requirements of this Law shall be void.

2. If the significant participation is acquired in violation of any requirements set forth by this Law,

the person with significant participation shall not exercise the rights to vote, receive dividends, be included in the company's board without elections or to assign its representative to that board, and the purchased shares will not be considered in total amount of votes.

3. In cases provided for under Point 1 of this Article, the Central Bank may recommend (while in the event of neglected recommendation claim in the court) that the participation in the investment firm be alienated or otherwise terminated within a reasonable period of time.

4. The requirements of this Article are mandatory for the investment firm, the entity that keeps

the register of participants of the investment firm, as well as for any entity that organizes execution of the voting rights vested in by the given securities.

Article 58. Requirements for Managers

1. Managers of the investment firm are the chairman and the members of the board of directors (observers council), the executive director and the members of the executive body, the deputy executive director, the chief accountant and the deputy chief accountant, the head and members of the internal audit, as well as the managers of regional and structural divisions.

2. The below persons shall not act as managers of investment firms:

- 1) Persons deemed incapacitated or partially capable in accordance with the procedure defined by the law;
- 2) Persons who do not have the relevant professional qualification as specified in Point 2 of Article 50 in this Law;
- 3) Persons who in pursuance of the court decision are deprived of the right to hold position in financial, economic and legal fields in cases when it is explicitly stated in the court decision;
- 4) Persons declared bankrupt or having outstanding (bad) debts;
- 5) Persons engaged in past deed (activity or inactivity), which in the opinion of the Central Bank based on the guidelines set forth by regulations of the Central bank, makes room to believe that the given person, as a manager of the investment firm, is incapable to adequately manage the corresponding field of the investment firm's activity or his/her actions may lead to bankruptcy of the investment firm or

deterioration of its financial position or destroy its authority and business reputation;

3. During the fulfillment of their obligations, managers and employees of the investment firm shall act in good faith based exclusively on the interests of the investment firm and its customers.

Article 175. The Central Depository

1. The Central Depository is a joint stock company, which performs the functions of a centralized

custodian, centralized registry and settlement system operator of securities.

2. The Central Depository, based on the contract signed with the operator of the regulated market, shall have the right to perform the function of determining and clearing the mutual liabilities (claims) rising from securities transactions effected in the regulated market.

3. The Central Bank shall have the right to permit the Central Depository to perform additional types of activities related to the implementation of functions specified in points 1 and 2 of this Article and define additional requirements as needed.

4. The Central Depository is prohibited to perform any activity other than those stipulated under this Article, unless otherwise defined by the regulations adopted in compliance with point 3 of this

Article.

5. The requirements set forth by the Law of the Republic of Armenia on Joint Stock Companies shall apply to the Central Depository, if this Law does not define other distinctions.

6. The provisions of this Section shall not apply to the Central Bank, if the Central Bank performs

functions of centralized custodian and (or) operator of the settlement system with regard to securities issued by the Republic of Armenia or the Central Bank.

Article 178. Shareholders and Stocks of the Central Depository

1. Any change to the statutory capital of the Central Depository, including reduction of the statutory capital, reorganization and liquidation, requires preliminary consent of the Central Bank.

2. The Central Depository shall not issue privileged stocks.

3. Pledging of privileged stocks shall be prohibited with the Central Depository.

4. Provisions stipulated by Articles 54 – 57 of this Law shall apply to significant participation in the Central Depository.

5. Investment service providers shall not own, directly or indirectly, more than 50 percent of the

shares of the Central Depository with voting right or have the possibility, fixed by actual or contractual right, to exercise substantial impact on the Central Depository.

Article 179. Management of the Central Depository

1. A member of the Observers' Council of the Central Depository shall not act at the same time as a member of the executive body of the Central Depository. The manager or member of the Observers' Council, executive body or supervision committee or manager or member of other similar bodies within the Central Depository (hereinafter referred to as the manager of the Central

Depository) shall not be any of the persons mentioned below:

1) Person considered incapacitated or partially capacitated in pursuance of the procedures defined by statute;

2) Person deprived of professional qualification required by the Law,

3) Person deprived, by a court decision, of the right to hold offices in financial, economic and legal areas,

4) Person declared bankrupt and having outstanding liabilities (bad debts),

5) Person who committed such deeds in the past, which, in the opinion of the Central Bank justified by the guidebook defined in accordance with the regulations of the Central Bank serve as ground for the conclusion that the person will not be able to manage the respective aspects of management of the Central Depository, or his actions may result in bankruptcy or deterioration of the financial status, disrepute or discredit the business fame of the Central Depository.

2. Managers or employees of the Central Depository, except for members of the Observers' Council or the chairman shall not have the right to act as a manager, acting manager, employee or participant of an investment service provider.

3. The Central Bank as resolved thereof, shall have the right to define requirements for clear distinction between the authorities of the management bodies and managers of the Central Depository.

Article 184. Registration and Licensing of the Central Depository

1. For the purpose of state registration and licensing of the Central Depository its founders, in the format, procedure and content established by the Central Bank, submit to the Central Bank:

1) an application for registration and licensing;

- 2) the business plan of the Central Depository;
 - 3) the charter of the Central Depository, approved by the Founding Board of the Central Depository, in 6 copies;
 - 4) information about the shareholders (participants) of the Central Depository;
 - 5) the decision of the Founding Board of the Central Depository on appointing managers of the Central Depository;
 - 6) information on the managers of the Central Depository, samples of validated signatures of the managers, copies of certificates of their professional qualification;
 - 7) documents, established by this Law and regulations of the Central Bank, for obtaining preliminary consent on significant participation of the persons with significant participation in the Central Depository;
 - 8) the financial reports of the last three years, approved by an independent audit conclusion, for the legal entities with significant participation in the Central Depository;
 - 9) information on the persons with significant participation in the Central Depository and persons affiliated with them;
 - 10) the draft rules of the Central Depository;
 - 11) the statutory capital of the Central Depository in the Central Bank or document, proving the payment to the savings account opened in any bank, not affiliated with the Central Depository and functioning on the territory of the Republic of Armenia;
 - 12) a payment receipt of a state duty;
 - 13) other documents defined by regulations of the Central Bank.
2. The Central Bank can require additional information and documents, which are necessary to

assess the authenticity of the documents and information, prescribed by the Part 1 of this Article.

The Central Bank, through its legal acts, can define exceptions in the submission of some documents and information, prescribed by the Part 1 of this Article, for significant non-resident participants and managers, if the ability of submitting such documents or information is restricted

by the legislation of the given country or the latter do not apply to the person in question.

3. In the event that at the time of processing the application, amendments were made in the information, required by the application and attached documents, the applicant shall be obliged to

submit the changed information as well prior to the making a decision on registration and provision of a license or on registration and refusal to provide a license by Board of the Central Bank. In that case the application is considered as submitted from the moment of receiving the amended information and documents by the Central Bank.

4. The Board of the Central Bank shall render the decision on the registration of the Central Depository and provision of a license, in the event that the submitted documents and information

comply with this Law, other laws and legal acts, and there are no grounds, established by this Law, to refuse the registration of the Central Depository and provision of a license.

5. The Central Bank shall be obliged to submit the certificate of registration and the license to the

Central Depository within five days from making a decision on registration and provision of a license.

6. The Central Bank shall register and issue a license to the Central Depository or refuses the

registration and licensing within two months from receiving documents, defined by the Points 1-3

of this Article.

7. The Central Bank, within five days from adopting a decision on the registration of the Central Depository, shall inform about it to the state authorized body registering legal entities for the latter

to make a relevant note on the registration of the Central Depository.

8. The Central Depository shall obtain a status of a legal entity upon registration in the Central Bank.

Article 185. Grounds for Refusing the Application on Registration and Licensing

The Board of the Central Bank may refuse the registration and licensing of the Central Depository

in the event that:

- 1) false or incomplete documents were submitted, or untrustworthy information was reflected in the submitted documents;
- 2) the managers of the Central Depository fail to meet the requirements, set out by this Law and legal acts of the Central Bank;
- 3) the Central Depository fails to meet the requirements, set out by this Law and other legal acts;
- 4) the statute of the Central Depository contradicts the Law;
- 5) the rules of the Central Depository contradict this Law and other legal acts, adopted on its basis, or the provisions of the rules are not precise or clear enough, which can endanger

- the normal activity of the market and/or the settlement system or the interests of investors;
- 6) the Central Bank has refused or refuses at least one of the applications to obtain a preliminary consent on significant participation in the Central Depository;
 - 7) the submitted business plan fails to comply with the requirements, set out by this Law and legal acts of the Central Bank;
 - 8) the business plan is unrealistic in the justified opinion of the Central Bank, or by following the plan the Central Depository fails to ensure the normal activity of the settlement system;
 - 9) in the justified opinion of the Central Bank the activity, financial situation, authority or expertise of the founders of the Central Depository and their interconnected persons can endanger the interests of investors or hinder the organization of the normal activity of the settlement system by the Central Depository or proper supervision by the Central Bank;
 - 10) the minimal rate of the statutory capital, established by the Central Bank, was not paid.

Article 188. Recognizing the License as Invalid in the case of Liquidation, Reorganization, Bankruptcy of the Central Depository and Other Cases Established by the Law

The Council of the Central Bank shall recognize the license of the Central Depository as invalid, not as a means of punishment, on the grounds of liquidation, reorganization, bankruptcy and other grounds established by the law.

Article 189. Recognizing the License as Invalid and Its Legal Consequences

1. The license can be recognized as invalid in the event that:

- 1) the Central Depository does not function for consecutive 12 months from obtaining the

license.

- 2) the action or inaction of the Central Depository results in the endangerment of the normal and legal activity of the securities market;
- 3) the action or inaction of the Central Depository leads to the outflow of information, not subject to publicizing or provision in the established procedure.
- 4) the grounds, established by the Article 185 of this Law, have come forth;
- 5) when applying for a license, the Central Depository submitted misleading or untrustworthy information or false documents to the Central Bank;
- 6) the Central Depository publicized or submitted misleading, untrustworthy information or false documents to the Central Bank;
- 7) the Central Depository or its managers allowed periodic (two and more) or essential violations of the requirements of this Law, other laws, legal acts adopted on their basis, as well as those of the rules of the Central Bank;
- 8) the Central Depository failed to fulfill the assignments, given by the Central Bank in accordance with this Law, within the established time or extent;
- 9) the rates of the statutory capital or total capital, established by this Law and legal acts of the Central Bank, were violated to the extent defined by the legal acts of the Central Bank.

2. In the event that the grounds, stipulated by the Point 4 of the Part 1 of this Article, come forth,

the Central Bank may assign the Central Depository to remove, within a certain time period, the grounds for recognizing the license as invalid.

3. The license may be recognized as invalid on the basis of the own application of the Central Depository, unless otherwise prescribed by this Law.

4. The Central Bank may refuse the voluntary termination of the validity or the recognition of the

license of the Central Depository as invalid, in the event that:

1) the termination of the validity of the license shall deprive the securities market of the only vital service, or

2) the termination of the validity of the license may significantly hamper the secure and effective activity of the settlement system of transactions with securities or create an obvious threat against it.

5. The Board of the Central Bank shall adopt a decision on recognizing the license as invalid or refusing the application within 30 days from receiving the application, prescribed by the Point 3 of this Article.

6. In the event of recognizing the license as invalid, it shall be returned to the Central Bank within

a three-day period.

7. Once the decision of the Board of the Central Bank voiding the license enters into force, the Central Depository shall be deprived of the right to carry out the functions prescribed by the license and shall be subject to liquidation in the procedure established by statute.

8. The decision of the Council of the Central Bank, on recognizing the license as invalid on the grounds established by this Article, shall be immediately publicized. The mentioned decision shall

enter into force from the moment of publicizing, unless other time period is prescribed by the

decision.

9. The copy of the decision of the Central Bank on recognizing the license as invalid shall be provided to the Central Depository within a three-day period from its adoption. The appeal on the

decision of the Central Bank on recognizing the license as invalid in the court shall not terminate

the validity of that decision throughout the entire period of court examination.

Article 206. Common Grounds of the Authority to Conduct Supervision and Apply

Sanctions

1. The supervision over enforcement of requirements set forth by this Law, as well as other legal

acts adopted on this basis shall be performed by the Central Bank.

2. The Central Bank shall, within the scope of its authorities, perform supervision over persons engaged in provision of investment services within the territory of the Republic of Armenia, persons engaged in public offering of securities within the territory of the Republic of Armenia, reporting issuers, operators of the regulated market, Central Depository, as well as their directors

and other managers, persons qualified as professional participants acting within their staff or on

their behalf, significant participants, and persons, directly or indirectly, involved in major transactions executed in securities market.

3. The Central Bank shall be entitled to apply sanctions in cases stipulated by law against persons listed in point 2 of this Article.

4. The authority of supervision shall be performed by the Central Bank through on-site and offsite supervision.

5. The Central Bank shall perform on-site and off-site supervision pursuant to the provisions of this Law, the Law of the Republic of Armenia on Central Bank of Armenia and regulations of the Central Bank.

Article 207. Off-site Supervision of the Central Bank

1. For purposes of performing off-site supervision, the Central Bank, by its regulation determines the procedure and terms for reports, references, explanatory notes and other such documents envisaged by this Law and Central Bank regulations. An electronic way of submission of documents defined under this Point may be established.

2. The reports, references, explanatory notes and other such documents shall be made available to the public in accordance with the procedure defined by the Central Bank, provided that this Law does not otherwise. The Central Bank shall have the authority to establish exceptions to this rule if it finds that public disclosure of such documents may threaten the legal interests of investors, or result in disclosure of state, banking, commercial secrecy or administrative information.

3. In cases when the persons mentioned in point 2 of Article 206 in this Law fails to submit documents defined under point 1 of this Article, or if they submit such documents in delay or in

any other substantial violation of the established procedure, or if the documents are incomplete,

the Central Bank, with prior notice and opportunity for hearing, issues a warning to correct the violation during the period specified by the Central Bank and/or orders to take measures for preventing such violations in future.

Article 208. Central Bank Inspections

1. The Central Bank shall conduct inspections on need-driven basis in conformity with the procedure and periodicity defined by the legislation. The Central Bank shall be entitled to develop

an inspection plan (scheduled inspections) and/or conduct inspections as needed.

2. Where persons specified in point 2 of Article 206 of this Law hinder the inspections or fail to provide the documents required during the inspection, the Central Bank, with prior notice and opportunity for hearing, issues a warning to that person(s), and instructs to correct the violation

within the period specified by the Central Bank and/or take certain measures to prevent such violations in future.

Article 209. The Authority of Imposing Sanctions

1. In cases of violation of this Law and requirements of other legal acts regulating securities market, the Central Bank shall be entitled to apply the following sanctions:

1) Warning to correct the violation and or instruction to prevent such violations in the future (hereinafter warning),

- 2) Fine,
- 3) Revocation of license,
- 4) Deprivation of the professional qualification.

The Central Bank shall have the right to impose fine in line with issuing a warning for each violation.

2. The Sanctions shall be imposed in compliance with the provisions of the Law of the Republic of Armenia on the Central Bank of Armenia.

Article 210. Warning

1. Where a person violates this Law, other legal acts on this basis that regulate the securities market, the Chairman of the Central Bank by its decision is entitled, to issue a warning.

2. The decision to issue a warning shall become effective on the date when it is filed with the addressee's activity location or place of abode (in case of physical persons), submitted or delivered to the location or residence stated or from the moment of notifying them in a proper way

and is subject to mandatory fulfillment by the warned person. The warning may include the list of

recommended measures necessary to bring the activity of the warned person into consistency with this Law and other legal acts.

3. The warning shall be justified through written statement of the reasons thereto, including such

facts that served as grounds for the resolution of the Central Bank. Any actions by persons, which

may cause violation of the securities market regulation laws and other legal acts, may serve as

basis for such resolution of the Central Bank.

Article 211. The Fine

1. Where a person violates this Law, other legal acts adopted on this basis and regulation the securities market, and fails to fails to perform the order of the Central Bank issued in the form of a

warning, the Chairman of the Central Bank, in his decision shall be entitled to impose the fines established by this Article.

2. Unless otherwise stipulated by this Chapter or other laws, the maximum size of the fine for separate violations shall not exceed

1) one thousand-fold of the minimum salary for natural persons and

2) two thousand fold of the minimum salary for legal entities.

3. Additional fines shall be imposed for continuous violations: for each succeeding day of every violation no more than:

1) One hundred fold of the minimum salary for natural persons, and

2) Two hundred fold of the minimum salary for legal entities.

4. When determining the size of the fine the Central Bank shall take into consideration:

1) the nature of the violation (deliberate violation, or indifference or carelessness),

2) existence of damage, caused to other persons by the violation and its size,

3) the extent of the unjustified enrichment, taking into account the compensations given to other persons,

4) the circumstance whether such person has previously permitted or has been liable to

such or other violation, and the size and nature of the previous violation,

5) the extent of the necessity to exclude future violations by the same or other persons, etc.

5. The fines defined under this Article shall be allotted to the State budget. In cases of nonpayment,

such fines shall be levied by court procedure, based on the claim of the Central Bank.

In cases of actual or possible insufficiency of the funds, such fines shall be collected after meeting requirements of civil claims, and after payment of other penalties and fines defined by other laws.

Article 212. Revocation of the License

The license of persons licensed in accordance with the provisions of this Law shall be deemed revoked by the resolution of the board of the Central Bank in cases stipulated by this Law.

Article 213. Deprivation of the Professional Qualification

The persons qualified as professional participants in accordance with Article 50 of this Law shall be deprived of the professional qualification by the resolution of the Central Bank in cases stipulated by this Law.

Article 214. Additional Liability

The liability stipulated hereunder shall be applied together with any other liability defined by the law (criminal, administrative, civil, etc) as main or additional liability.