To the Decision of the Board of the

Central Bank of the Republic of Armenia

No 261 N from October 7, 2014

Regulation

On Completion and Submission of Template No. 101 for Banks to Report on Transactions Subject to Mandatory Reporting and on Suspicious Transactions or Business Relationships

Part 1: General Provisions

1. Regulation on Completion and Submission of Template No. 101 for Banks to Report on Transactions Subject to Mandatory Reporting and on Suspicious Transactions or Business Relationships (hereinafter: the Regulation) sets out the rules and submission triggers for banks (hereinafter: also referred to as reporting entities) to complete and submit the reports specified under the Republic of Armenia Law on Combating Money Laundering and Terrorism Financing (hereinafter: the Law).

2. The concepts used in this Regulation shall have the same meaning as defined in the Law.

3. This reporting template shall be completed by banks registered with the Financial Monitoring Center of the Central Bank of the Republic of Armenia (hereinafter: the Financial Monitoring Center).

4. The report shall be submitted in accordance with the submission triggers defined under Clause 1, Part 2 and Part 3, Article 6 of the Law.

5. No report on transactions subject to mandatory reporting shall be submitted when the followings take place:

    1) Payments into and out of the consolidates state budget of the Republic of Armenia;

    2) The following transactions conducted in the interbank market:

        a) Purchases of the Republic of Armenia treasury bonds or bonds issued by the Central Bank of the Republic of Armenia in the primary market;

        b) Transactions conducted on own account and own behalf between any two specialized participants in the secondary market (e.g., securities trading in the secondary market, repurchase and reverse-repurchase agreements, swaps, interbank deposits and loans, etc.);

3) Transactions that have already been reported to the credit register of the Central Bank of the Republic of Armenia;

4) Transactions conducted by a bank to fulfill its own requirements for ensuring on-going operations, except for purchases of financial assets from own customers;

5) Changes to transactions with customers that have already been reported and that do not lead to further changes in the amount or currency of the transaction;

6) Transactions where the bank is acting as an insurance agent.

Part 2: Report Submission Rules and Deadlines

6. The report on transactions subject to mandatory reporting and on suspicious transactions or business relationships shall be submitted to the Financial Monitoring Center in electronic form either through the website of the Central Bank of the Republic of Armenia or via the CBANet system.

7. The electronic version of the reporting template can be either requested directly from the Financial Monitoring Center or downloaded from the website of the Central Bank of the Republic of Armenia.

8. In case of report submissions via the CBANet system, the title of the accompanying letter shall include the text "Report submitted to the Financial Monitoring Center".

9. Reports shall be submitted via the website of the Central Bank of the Republic of Armenia only in case there is an agreement signed with the Central Bank of the Republic of Armenia, pursuant to Clause 4 of the Regulation on Using an Electronic Digital Signature when Submitting Reports (Specified under Relevant Laws or Regulations) to the Central Bank of the Republic of Armenia via the Webpage of the Central Bank of the Republic of Armenia. This Regulation was approved by the Board Decision No. 81-N from March 20, 2007 of the Central Bank of the Republic of Armenia.

10. An electronic report shall be considered submitted only if the reporting entity does not receive an error notification within a day following the submission.

11. In case of receiving an error notification, the reporting entity shall re-submit the corrected report within a day after the notification, without changing the title of the report. In such a case the report shall be considered submitted on time.

12. A report on transactions subject to mandatory reporting shall be submitted to the Financial Monitoring Center within three days following the transaction.

13. The allowed time period of three days for submitting the report shall commence on the first working day following the transaction and shall end at 18:00 of the third working day after that.

14. The moment to consider a transaction completed shall be:

1) for outbound transfers – the moment when a customer's account is debited based on his/her payment order (when the customer is an account holder) or the

moment when a customer hands the money and the payment order (when the customer is not an account holder), regardless of whether or not the actual transaction is processed;

2) for inbound transfers – the moment when the respective account is credited (when the customer is an account holder), or the moment when the customer comes in to claim the money (when the customer is not an account holder, and hence the transfer is one without a bank account);

3) in all other cases – the moment when right and obligations arise.

15. Where the transfer is not credited to the customer's account or is sent back to the ordering institution within three days from the moment of receiving the transfer, a report shall be filed with the Financial Monitoring Center within the next three business days.

16. A report on suspicious transactions or business relationships shall be submitted to the Financial Monitoring Center within the same day when a suspicion criterion is found in relation to the transaction or business relationship; in case same-day submission is impossible, the report shall be submitted by 12:00 of the following working day.

17. The followings can be legitimate reasons to consider same-day submission impossible:

1) close of the business (operational) day;

2) insurmountable problems in hardware/software or network systems.

Part 3: General Rules to Complete the Reporting Template

18. The reporting template shall be completed in most clear, concise and unambiguous language (Armenian) possible, using non-Unicode font and with capital letters. The following fields in the template shall be completed in English where the relevant details are available to the bank only in that language: fields 5.1.1 and 5.2.1 "Forename/name", 5.3.2 and 5.4.2 "Forename", 5.1.2, 5.2.2, 5.3.3, 5.4.3 "Surname", and 5.1.3, 5.2.3, 5.3.4, 5.4.4 "Father's name". In case those details are available in another foreign language, then the specified fields shall be completed either in Armenian or English.

19. The reporting template shall be completed electronically, bound by the limitations built into in the template. These limitations in the template are not subject to alteration. Any submitted report that will contain an altered limitation shall be deemed as incomplete or inaccurate, leading to legal consequences as defined under the Law.

20. All the fields of the template, in relation to which the bank has or must have relevant information, shall be subject to mandatory completion.

21. Every transaction or business relationship shall be submitted in a separate report.

Part 4: Report Title

22. The field 1.1 "Registration number" shall contain the 8-digit registration number provided by the Financial Monitoring Center.

23. The filed 1.2 "Report submission date" shall contain the 6-digit submission date (day, month, year) of the report.

24. The field 1.3 "Report sequential number" shall contain the 3-digit sequential number of the report submitted on the same given day.

25. The field 1.4 "Correction/supplement sequential number" shall contain the 1-to-3-digit sequential number of the report submitted for the purpose of correcting or supplementing the original report. This field shall be completed only when a report is submitted with a purpose to correct an error or an omission in the original report, as well as when there is need to voluntarily provide more information in addition to the original report.

26. The field 1.4.1 "Correction/supplement purpose" shall include the reasons and circumstances for correcting or supplementing the original report submitted in accordance with Clause 10 of this Regulation. The field shall be subject to mandatory completion when the original report is corrected or supplemented three days after its submission.

27. A new report shall be submitted when correcting or supplementing the original report.

Part 5: Report Type

28. The field 2.1 "Report on transaction subject to mandatory reporting" shall be selected when:

    1) the amount of a non-cash transaction exceeds 20 million Armenian drams; in case of foreign currency-denominated transactions, the conversion shall be calculated by using the average market rate for exchanging foreign currency with Armenian drams, as announced by the Central Bank of the Republic of Armenia;

    2) the amount of a cash transaction exceeds 5 million Armenian drams; in case of foreign currency-denominated transactions, the conversion shall be calculated by using the average market rate for exchanging foreign currency with Armenian drams, as announced by the Central Bank of the Republic of Armenia.

29. The field 2.2 "Report on suspicious transaction or business relationship" shall be selected when a report is submitted on a suspicious transaction or business relationship.

Part 6: Description of Transaction or Business Relationship

30. The field 3.1 "Date of conducting a transaction or establishing a business relationship" shall reflect the date (day, month, year) when the transaction is completed or the business relationship is established. When submitting a report on a suspicions transaction or business relationship, the following principle shall apply: in case the

transaction is not completed or the business relationship is not established, then the date (day, month, year) when the intention was received to complete a transaction or establish a business relationship shall be completed; in case a transaction or business relationship is refused, then the date (day, month, year) of the refusal shall be completed.

31. The field 3.2 "Cash transaction" shall be selected when any one of the following transactions takes place:

    1) a cash transaction, including a cash deposit into or a cash withdrawal from a bank account;

    2) a transaction preceding a cash transaction, where the former is conducted without an account;

    3) a transaction following a cash transaction, where the former is conducted without an account.

32. The field "Non-cash transaction" shall be selected when the transaction is completed without the involvement of cash.

33. The fields 3.2.1 and 3.3.1 "Currency" shall reflect the code of the currency underlying the transaction. In case the field 4.3 "Currency exchange" is selected, then the field 3.2.1 "Currency" shall reflect the currency sold.

34. The fields 3.2.2 and 3.3.2 "Amount in original currency" shall reflect the amount of the transaction in the original underlying currency. In case the fields 3.2.1 and 3.3.1 "Currency" reflect the Armenian dram, then the same amount shall be reflected in the fields 3.2.2 and 3.3.2 "Amount in original currency" and 3.2.3 and 3.3.3 "Amount in Armenian drams".

35. The fields 3.2.3 and 3.3.3 "Amount in Armenian drams" shall contain the Armenian-dram equivalent of the transaction amount, calculated by using the average market rate for exchanging foreign currency with Armenian drams, as announced by the Central Bank of the Republic of Armenia. In case the field 4.3 "Currency exchange" is selected and one foreign currency is exchanged with another one, then the field 3.2.3 "Amount in Armenian dram" shall reflect the Armenian-dram equivalent of the foreign currency purchased by the bank. In case one foreign currency is exchanged with Armenian drams, then the field 3.2.3 "Amount in Armenian dram" shall reflect the Armenian-dram equivalent of the foreign currency, calculated by using the average market rate for exchanging foreign currency with Armenian drams, as announced by the Central Bank of the Republic of Armenia.

36. The section 3.4 "Suspicious transaction criterion or typology" suggests a selection of one or more of the fields 3.4.1 and 3.4.2. In case the criterion or typology used to consider a transaction suspicious is not defined under any of the regulations specified in the fields 3.4.1-3.4.3, then the field 3.4.3 "Other" shall be selected. In case of selecting any one or more of the fields 3.4.1-3.4.3, the criterion or typology defined

under the rules of the competent authority or of the reporting entity or of other source shall be detailed in the field below.

37. The field 3.5 "Suspicion description" shall reflect in most detail the background to the transaction or business relationship and all the circumstances that have led to suspicion in the transaction or business relationship. This field can also be used to reflect the bank's own anticipation of how the situation may evolve.

38. The field 3.6 "Title of related report" shall be completed when the bank considers that the suspicious transaction or business relationship in the report is related either through cause and effect or other ways to a report previous submitted by the bank. The field 3.6 "Title of related report" shall reflect, where applicable, the information completed in the fields 1.1 "Financial Monitoring Center registration number", 1.2 "Report submission date", 1.3 "Report sequential number" and 1.4 "Correction/supplement sequential number" of the report previous submitted by the bank.

39. The field 3.7 "Other information related to the transaction or business relationship" shall reflect other information deemed important by the bank in relation to the transaction or business relationship.

Part 7: Type of Transaction or Business Relationship

40. The section 4.1 "Deposit" suggests a selection of one of the fields "Demand", "Term" or "Pension account", followed by a selection of either 4.1.1 "Inflow" or 4.1.2 "Outflow".

41. The field 4.1.3 "Annual deposit rate" shall reflect the annual interest rate stated in the deposit agreement.

42. The field 4.1.4 "Deposit maturity" shall reflect the maturity stated in the deposit agreement.

43. The section 4.2 "Payment/settlement service" suggests a selection of one of the fields below. The fields "Cash deposit by account holder" and "Cash withdrawal by account holder" shall be selected only when the field 3.2 "Cash transaction" is selected.

44. In case of selecting the fields "Cash deposit on account by account holder" or "Cash withdrawal from account by account holder" under the hierarchy of the section 4.2 "Payment/settlement service", only the fields under the hierarchy of the section 5.1 "Customer" shall be completed from part 5 "Parties to transaction or business relationship"; in case of selecting the fields "Cash deposit on account by third party" or "Cash withdrawal from account by third party", only the fields under the hierarchy of the section 5.1 "Customer" and 5.2 "Transaction counterparty" shall be completed from part 5 "Parties to transaction or business relationship".

45. The section 4.2.1 "Purpose" suggests a selection of one of the payment/settlement service purposes from the fields 4.2.1.1-4.2.1.8.

46. In case of selecting the field 4.2.1.3 "Lending/borrowing", the purpose of the lending/borrowing shall be completed in the field below, including details of the lending/borrowing agreement date (day, month, year) and the parties of the agreement.

47. In case of selecting the field 4.2.1.4 "Buying/selling securities", the name of the issuer shall be completed in the field below.

48. In case of selecting the field 4.2.1.6 "Buying/selling real estate", the following minimum information about the location (address) of the real estate shall be completed in the field 4.2.1.6.1: region, municipality and the geography of the residential object (district, square, street, avenue, lane, passage, dead-end, park, etc.).

49. In case of selecting the field 4.2.1.7 "Other", the type of the payment/settlement service shall be completed in the field below.

50. The field 4.2.2 "Money transfer service" shall reflect the name of the money transfer service. This field shall be completed when either of the fields "Outbound transfer without a bank account" or "Inbound transfer without a bank account" are selected under the hierarchy of the section 4.2 "Payment/settlement service".

51. The field 4.3 "Currency exchange" shall be selected when the bank has converted currency. In case of selecting this field, the code of the currency purchased by the bank shall be completed in the field 4.3.1 "Currency purchased" and the amount of that currency shall be completed in the field 4.3.2 "Amount purchased" denominated in the currency purchased; the code of the currency sold by the bank shall be reflected in the field 4.3.3 "Currency sold" and the amount of that currency shall be reflected in the field 4.3.4 "Amount sold" denominated in the currency sold.

52. The section 4.4 "Investment activity" shall be selected when the bank is engaged in investment activities.

53. The field 4.4.1 "Type of contract" shall reflect the contract underlying the investment activity.

54. The field 4.4.2 "Type of security" shall reflect the type of security underlying the investment activity.

55. The field 4.4.3 "Face value of security" shall reflect the face value of the security denominated in Armenian drams.

56. The field 4.4.4 "Market value of security" shall reflect the market value of the security denominated in Armenian drams.

57. In case of selecting the field 4.5 "Other", the name of the transaction or business relationship shall be completed in the field below.

Part 8: Parties to Transaction or Business Relationship

58. Part 5 "Parties to transaction or business relationship" shall reflect information on the customer, transaction counterparty, authorized person and beneficial owner.

59. The section 5.1 "Customer" suggests a selection of the type of the customer, a natural person, legal person, sole entrepreneur or state body/municipality.

60. The filed 5.1.1 "Forename/name" shall reflect the name of the natural person, legal person, sole entrepreneur or state body/municipality.

61. The field 5.1.1 "Surname" shall reflect the surname of the natural person or sole entrepreneur. In case it is difficult to distinguish the forename from the surname, then the fields 5.1.1 and 5.1.2 shall be completed in the order preferred by the bank.

62. The field 5.1.3 "Father's name" shall reflect the father's name of the natural person or sole entrepreneur.

63. The field 5.1.4 "Date of birth" shall reflect the date of birth (day, month, year) of the natural person or sole entrepreneur.

64. The fields 5.1.5.1-5.1.5.4 under the hierarchy of the section 5.1.5 "Residential/location address" shall reflect the permanent or predominant address of residence (street, building, house/apartment, city or village, region, country) of the natural person or sole entrepreneur, while in case of a legal person this shall be the address (street, building, house/apartment, city or village, region, country) where the continuous operations of that legal person are located. The fields 5.1.5.1-5.1.5.4 shall not be completed where the place of residence and registration of the natural person or sole entrepreneur are the same.

65. The fields 5.1.6.1-5.1.6.4 under the hierarchy of the section 5.1.6 "Registration place" shall reflect the address (street, building, house/apartment, city or village, region, country) where the natural person or sole entrepreneur is registered.

66. The field 5.1.7 "Citizenship" shall reflect the citizenship of the natural person or sole entrepreneur.

67. The field 5.1.8 "Type of identification document" shall reflect the identification document established for natural persons or sole entrepreneurs, such as the passport, identification card or other document defined by relevant normative legal acts.

68. The fields 5.1.8.1 "Document serial code and number" and 5.1.8.2 "Document Granted on" shall respectively reflect the serial code and number of the document specified in the field 5.1.8 "Type of identification document", as well as the date (day, month, year) when the document was granted.

69. The field 5.1.8.3 "Document granted by" shall reflect the name or coded denomination of the state body which granted the document specified in the field 5.1.8 "Type of identification document".

70. The field 5.1.8.4 "Document valid until" shall reflect the date (day, month, year) when the document specified in the field 5.1.8 "Type of identification document" expires.

71. The field 5.1.9 "Structural/legal form" shall reflect the structural/legal form of the legal person or the abbreviation of that (e.g., LLC, CJSC, etc.). The wording of the structural/legal form of foreign legal persons shall be completed in Latin-script letters.

72. The field 5.1.10 "Identification/registration number" shall reflect the identification/registration number issued by the authority responsible for registration of legal persons and sole entrepreneurs.

73. The field 5.1.11 "Taxpayer registration code" shall reflect the tax code of the legal person or sole entrepreneur.

74. The field 5.1.12 "Forename and surname of executive director" shall reflect the forename and surname of the executive director.

75. The field 5.1.13 "Bank account number or unique reference code" shall reflect the bank account number of the customer. In case the fields "Outbound transfer without a bank account" or "Inbound transfer without a bank account" are selected, then the unique reference code shall be completed.

76. The field 5.1.14 "Bank name" shall be completed where the reporting entity is an intermediary bank. This field shall reflect the name of the bank which services the bank account or unique reference code specified in the field 5.1.13 "Bank account number or unique reference code".

77. The field 5.1.15 "Bank country" shall reflect the country where the bank specified in the field 5.1.14 "Bank name" is registered. In case the transaction is conducted in a bank branch, then the country of registration of the bank branch shall be completed.

78. The field 5.1.16 Bank BIC/SWIFT code or unique reference code in national BankMail system" shall reflect the BIC/SWIFT code or unique reference code in national BankMail system of the bank specified in the field 5.1.14 "Bank name".

79. The fields 5.2.1-5.2.13 of the reporting template shall be completed in the manner specified under Clauses 60-75 of this Regulation.

80. The fields 5.2.14-5.2.16 of the reporting template shall be completed in the manner specified under Clauses 76-78 of this Regulation, regardless of whether or not the reporting entity is an intermediary bank.

81. The fields under the hierarchy of the section 5.3 "Authorized person" shall be completed where the transaction or business relationship is carried out by an authorized person.

82. The field 5.3.1 "Authorized person" shall reflect the forename/name and surname of the customer on whose behalf the authorized person is acting.

83. The fields 5.3.2-5.3.9.4 of the reporting template shall be completed in the manner specified under Clauses 60-70 of this Regulation.

84. The field "There is no information on beneficial owner" shall be selected where the bank cannot establish whether or not there is a beneficial owner in the transaction or business relationship.

85. The field "There is no beneficial owner" shall be selected where the bank has established that there is no beneficial owner in the transaction or business relationship (e.g., the customer has issued a written confirmation of this).

86. The field "There is beneficial owner" shall be selected where the bank has established either through the customer or other sources that there is a beneficial owner in the transaction or business relationship.

87. After selecting the field "There is beneficial owner", the field 5.4.1 "Customer forename/name, surname" shall reflect the forename/name and surname of the customer whose beneficial owner has been established.

88. The fields 5.4.2-5.4.9.4 shall be completed in the manner specified under Clauses 60-70 of this Regulation, only when the field "There is beneficial owner" is selected.

89. Part 5 of the reporting template shall be completed in the number of times required, depending on the number of persons.

Part 9: Suspension, Refusal, Termination of a Transaction or Business Relationship and Freezing of Assets

90. The field 6.1 "Suspension of transaction or business relationship" shall be selected when a transaction or business relationship is suspended.

91. The field 6.1.1 "Suspension date" shall reflect the suspension date (day, month, year) of the transaction or business relationship.

92. The field 6.1.2 "Suspension term" shall reflect the time period for which the transaction or business relationship is terminated.

93. The field 6.1.3 "Reason for suspension of transaction or business relationship" shall reflect the reason why the transaction or business relationship is suspended.

94. The field 6.2 "Refusal of transaction or business relationship" shall be selected when a transaction or business relationship is refused.

95. The field 6.2.1 "Reasons for refusing a transaction or business relationship" shall reflect the reason why the transaction or business relationship is refused.

96. The field 6.3 "Termination of transaction or business relationship" shall be selected when a transaction or business relationship is terminated.

97. The field 6.3.1 "Reasons for terminating a transaction or business relationship" shall reflect the reason why the transaction or business relationship is terminated.

98. The field 6.4 "Freezing of assets" shall be selected when the assets of the customer are frozen.

99. The field 6.4.1 "Freezing date" shall reflect the date (day, month, year) when the assets are frozen.

100. The field 6.4.2 "Freezing term" shall reflect the time period for which the assets are frozen.

101. The field 6.4.3 "Names of lists of persons related to terrorism" shall reflect the name of the particular list of person related to terrorism, as published by the competent authority for the purpose of fulfilling the United Nations Security Council Resolutions and the International Agreements of the Republic of Armenia.

Part 10: Employee of Internal Monitoring Unit

102. The field 7.1 "Forename" shall reflect the forename of the employee of the internal monitoring unit.

103. The field 7.2 "Surname" shall reflect the surname of the employee of the internal monitoring unit.

104. The field 7.3 "Completion date" shall reflect the date (day, month, year) of completing the report.