

STATUTE

FINANCIAL MONITORING CENTER CENTRAL BANK OF THE REPUBLIC OF ARMENIA

CHAPTER 1: GENERAL PROVISIONS

1. The Financial Monitoring Center (hereinafter referred to as the FMC) of the Central Bank of the Republic of Armenia (the Central Bank) is the Financial Intelligence Unit of the Republic of Armenia.
2. The FMC performs the functions and authorities assigned to it under the Republic of Armenia Law on Combating Money Laundering and Terrorism Financing (hereinafter referred to as the Law).
3. The FMC is the dedicated structural unit of the Central Bank, the activities of which are regulated by the Law, Board Decisions of the Central Bank, Chairman Decisions and Orders of the Central Bank and this Statute.
4. In performing its activities, the FMC is guided by the Strategy and the Workplan approved by the Board of the Central Bank.

CHAPTER 2: OBJECTIVE, TASKS, FUNCTIONS AND AUTHORITIES OF THE FMC

5. The objective of the FMC is to enforce effective mechanisms for preventing money laundering and terrorism financing (hereinafter referred to as ML/TF), as well as to ensure freezing of property of persons related to financing of proliferation of weapons of mass destruction (hereinafter referred to as WMD).
6. The FMC has the following tasks:
 - 1) Analyzing reports on ML/TF suspicious transactions or business relationships based on information received from reporting entities, state bodies and organizations; disseminating grounded suspicions to criminal prosecution authorities as a result of such analysis;
 - 2) Raising public awareness, including enhancement of knowledge of reporting entities and competent state authorities in preventing ML/TF; and building capacity for detecting ML/TF cases;
 - 3) Representing the Republic of Armenia in international structures involved in combating ML/TF, including effective cooperation with international counterparts;
 - 4) Performing strategic assessments for the purpose of identifying and preventing ML/TF risks, including conduction of national risk assessments.
7. The FMC performs the following functions and authorities stipulated by the Law for the purpose of combating ML/TF:

- 1) Receiving reports from reporting entities, state bodies and organizations, as well as receiving and processing other information, including:
 - a. Receiving reports from reporting entities on transactions subject to mandatory reporting and on suspicious transactions or business relationships;
 - b. Receiving and obtaining other information from state bodies, including statistical information stipulated by the Law, and maintaining statistics;
- 2) Performing operational analyses of reports and other information received, including:
 - a. Performing analyses based on reports on suspicious transactions or business relationships, as well as on transactions or business relationships detected as a result of matches with monitoring lists and mandatory reporting instructions issued to reporting entities;
 - b. Performing analysis based on information received from criminal prosecution authorities, other competent authorities or other sources;
 - c. Requesting from reporting entities, state bodies (including supervisory and criminal prosecution authorities) other information (including information constituting banking secrecy stipulated by applicable law) necessary to perform the analyses specified in Sub-Clauses (a) and (b) above;
 - d. Providing regular feedback to reporting entities on the reports received;
- 3) Making disseminations to criminal prosecution authorities;
- 4) Developing legislative documents stipulated by the Law, including guidance on enforcement procedures of legislative documents, as well as developing and providing relevant clarifications;
- 5) Filing motions to the Board of the Central Bank on suspending suspicious transactions or business relationships or on freezing of property of persons and entities related to terrorism or proliferation of WMD;
- 6) Issuing instructions to reporting entities, including:
 - a. Instructions to identify certain transactions or business relationships as suspicious, as well as to suspend, refuse or terminate certain transactions or business relationships;
 - b. Instructions to perform enhanced customer due diligence;
 - c. Instructions to undertake relevant measures in relation to persons that are located or reside in or originate from non-compliant countries or territories;
- 7) Publishing lists of non-compliant countries or territories, as prescribed by the Law, identified as such based on information from international structures and foreign countries;
- 8) Organizing trainings for enhancing the capacity of reporting entities in combating ML/TF, and, where necessary, providing support to trainings organized by other bodies;
- 9) Cooperating with bodies authorized to supervise (license, appoint, certify or otherwise grant permission for activities of) reporting entities, which encompasses:
 - a. Filing a motion to enforce sanctions on reporting entities;
 - b. Providing support in supervision over reporting entities, including through participation in examinations;

- 10) Cooperating with competent state authorities on matters related to combating ML/TF, including the exchange of information for the purposes of the Law and signing of cooperation agreements;
 - 11) Cooperating with foreign financial intelligence units, including the exchange of information for the purposes of the Law and signing of cooperation agreements;
 - 12) Cooperating with competent international structures; presenting the interests of the Republic of Armenia in international structures; raising public awareness with regard to international initiatives on combating ML/TF;
 - 13) Presenting annual reports on FMC activities to the Board of the Central Bank and publishing these reports;
 - 14) Performing strategic assessments for the purpose of identifying and assessing ML/TF risks, which encompasses:
 - a. Organizing and regulating the activities for performing national risk assessments;
 - b. Developing and publishing typologies on ML/TF schemes;
 - 15) Organizing the activities (performing secretary functions) of the Interagency Committee on combating ML/TF and financing of proliferation of WMD, which encompasses:
 - a. Developing, circulating and agreeing the agenda of Interagency Committee meetings with member agencies;
 - b. Writing and circulating reference documents for the agenda items of the Interagency Committee meetings;
 - 16) Performing other functions and authorities stipulated by the Law.
8. The functions and authorities specified in Clause 7 of this Statute are performed by the FMC as prescribed by the Law, the FMC Internal Procedures Manual, other acts approved by the Board of the Central Bank, as well as orders and instructions issued by the Head of the FMC.

CHAPTER 3: OPERATIONAL PRINCIPLES OF THE FMC

9. In performing its functions and authorities the FMC is independent of any structural unit of the Central Bank or of any other body. The functional independence of the FMC is guaranteed by its special status within the Central Bank.
10. The FMC independently performs its functions and authorities, as stipulated by the Law and this Statute, in cooperation with structural units of the Central Bank and other competent state authorities, where necessary, in the scope of signed memoranda of understanding or as part of established business practices.
11. The FMC must ensure necessary conditions for the safekeeping of received, analyzed and disseminated information stipulated by the Law. Such information can only be accessible by competent authorities and persons, as prescribed by the Law.
12. The FMC staff with access to received, analyzed and disseminated information maintain, as prescribed by the Law and the legal acts of the Central Bank, confidentiality of the information constituting secrecy both in the course of performing their duties and after termination thereof, as well as bear responsibility, as stipulated by applicable law, for its illegal disclosure. Such information can only be used for the purposes of the Law.
13. Pursuant to Criminal Procedure Code of the Republic of Armenia, the FMC staff cannot be

questioned as witnesses and give testimony in the court on the measures undertaken in the scope of the Law with regard to the information received, analyzed or disseminated to criminal prosecution or supervisory authorities.

14. The FMC staff must adhere to the Code of Conduct of the Central Bank.
15. Publicity of the activities of the FMC is achieved through the publication of annual reports specified in Sub-Clause 14 of Clause 7 of this Statute. Annual reports reflect at least on the following:
 - 1) Reports filed and other information provided to the FMC during the reporting period;
 - 2) Strategic assessments performed for the purpose of identifying ML/TF risks and preventive measures undertaken towards the mitigation of identified risks, as well as instructions issued to reporting entities;
 - 3) Cooperation with domestic and international counterparts in the area of combating ML/TF, particularly covering the works completed, measures undertaken, ratings provided by international structures to the Republic of Armenia in the area of combating ML/TF;
 - 4) Information on the enhancement of the FMC database, the online training system in the area of combating ML/TF, and the information exchange systems.

CHAPTER 4: RESOURCES OF THE FMC

16. Resources of the FMC are provided through the annual budget approved for the FMC by the Board of the Central Bank. The property attached to the FMC by the Central Bank remains under the immediate possession and usage of the FMC.
17. For the purpose of meeting specific needs and tasks, the FMC is entitled to receive technical assistance, including funds and other property, from international donor organizations.

CHAPTER 5: STRUCTURE AND ORGANIZATION OF TASKS OF THE FMC

18. The structure of the FMC comprises the Head of the FMC, the Deputy Head of the FMC, the Legal Compliance Division, the Analyses Division, the International Relations Division, the Information System Design and Development Division (the FMC staff).
19. The Head of the FMC and the FMC staff are appointed by the Board of the Central Bank.
20. Functions and responsibilities of the FMC staff are specified in their job descriptions.
21. The Head of the FMC:
 - 1) Coordinates the performance of functions and authorities of the FMC;
 - 2) Manages and supervises the performance of functions and responsibilities of the FMC staff;
 - 3) Represents the FMC in relations with competent state authorities in the Republic of Armenia, international structures in the area of combating ML/TF and foreign financial intelligence units, as well as signs cooperation agreements therewith, where necessary;
 - 4) Organizes or participates in discussions, meetings and sessions related to the tasks of the FMC;
 - 5) Participates in meetings of the Board and standing committees of the Central Bank;

- 6) Submits recommendations to the Board of the Central Bank on the appointment, dismissal, disciplinary encouragement or sanctioning of the FMC staff;
 - 7) Decides on matters related to business trips, seminars and trainings for the FMC staff;
 - 8) Serves *ex-officio* as secretary to the Interagency Committee on combating ML/TF and financing of proliferation of WMD;
 - 9) Performs other functions to organize the activities of the FMC.
22. The Head of the FMC is responsible for the work discipline of the FMC staff, as well as for their performance of duties in a timely and quality manner.
23. The Deputy Head of the FMC:
- 1) Coordinates ongoing performance of the functions and authorities of the FMC;
 - 2) Performs other orders, instructions and directions of the Head of the FMC;
 - 3) Undertakes the functions assigned to the Head of the FMC in the absence or upon the order of the latter.
24. The functions and authorities specified in Clause 7 of this Statute are performed by the Divisions of the FMC.
25. Ongoing support to the activities of the FMC (document flow, accounting, procurement, business trips, etc.) is provided by the relevant structural units of the Central Bank in accordance with the procedure established by the Central Bank.