

DECISION NO. 73-N OF APRIL 13, 2010

OF THE BOARD OF THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA

APPROVING REGULATION 16/2 “ORDER AND CONDITIONS OF ISSUANCE AND SERVICING (CIRCULATION) OF ELECTRONIC MONEY, REQUIREMENTS FOR CONDUCTING TRANSACTIONS IN ELECTRONIC MONEY”

Based on Articles 2 and 55 of the Law of the Republic of Armenia “On Banks and Banking Activity,” Article 17, Part 2 and Article 25 of the Law of the Republic of Armenia “On Payment and Settlement Systems and Payment and Settlement Organizations,” and guided by Article 20, Paragraph “e” of the Law of the Republic of Armenia “On the Central Bank of the Republic of Armenia” and Article 16 of the Law of the Republic of Armenia “On Legal Acts,” the Board of the Central Bank decides:

1. To approve Regulation 16/2 “Order and Conditions of Issuance and Servicing (Circulation) of Electronic Money, Requirements for Conducting Transactions in Electronic Money” according to the Appendix.

2. This decision shall enter into force on the tenth day following the day of the official publication.

Chairman of the Central Bank
of the Republic of Armenia
Javadyan

A.

April 16, 2010
Yerevan

Appendix
Approved by Decision No. 73-N of April 13, 2010
of the Board of the Central Bank of the Republic of Armenia

**REGULATION 16 / 2
ORDER AND CONDITIONS OF ISSUANCE AND SERVICING (CIRCULATION) OF
ELECTRONIC MONEY, REQUIREMENTS FOR CONDUCTING TRANSACTIONS IN
ELECTRONIC MONEY**

**CHAPTER 1
GENERAL PROVISIONS**

1. This Regulation determines the order and conditions for issuance and servicing (circulation) of electronic money on the territory of the Republic of Armenia, supervision of issuers, completion and submission of reports, discharge of liabilities by issuers, as well as requirements for internal control and management of security risks during the course of conducting transactions in electronic money.

2. This regulation applies to organizations specified in Sub-paragraph 2 of Paragraph 3 of this regulation. The requirements of this regulation do not apply to persons providing services specified in Annex 1.

CHAPTER 2 BASIC DEFINITIONS USED IN THE REGULATION

3. For purposes of this regulation:

1) “electronic money” shall mean electronic money as defined in Article 3, Paragraph “ia” of the Law of the Republic of Armenia “On Payment and Settlement Systems and Payment and Settlement Organizations,”

2) “electronic money issuer (hereinafter referred to as issuer)” shall mean organization possessing a money remittance license issued by the Board of the Central Bank of the Republic of Armenia (hereinafter referred to as the Central Bank) which has also obtained a permission for issuing electronic money from the Board of the Central Bank, or a commercial bank or a branch of a foreign commercial bank operating on the territory of the Republic of Armenia or other organization issuing electronic money on the territory of the Republic of Armenia in accordance with laws and other legal acts of the Republic of Armenia,

3) “electronic money payment system (hereinafter referred to as system)” shall mean a complex of issuers, users, service providers, distributors and/or agents (hereinafter referred to as participants) as well as regulations, software and hardware systems and procedures ensuring the issuance and servicing of electronic money,

4) “system rules” shall mean a complex of rules, regulations and procedures ensuring payments and cooperation among participants during the use/servicing of electronic money,

5) “issuance (activation) of electronic money” shall mean the process of registering a user in the database managed by the issuer which results in entering data on electronic money obtained by the user into a registration account identifying him,

6) “user” shall mean natural person who signed a contract with the issuer for acquiring electronic money and making payments in electronic money for services provided in accordance with terms and conditions established and announced in advance by the issuer,

7) “registration account” shall mean an account in the name of a user or a service provider opened and managed/serviced by the issuer in the centralized database of the issuer,

8) “servicing of electronic money” shall mean ensuring payments among participants in the course of transactions in electronic money which enables the user to redeem (present for payment) electronic money obtained by him, pay to persons providing services for services rendered, as well as to refill the registration account in cases provided by the contract, convert electronic money issued by another electronic money system,

9) “refill card” shall mean a card/code in certain nominal value issued by the issuer which allows the user to refill the registration account in exchange for payment of equivalent money,

10) “person providing services” shall mean a legal person or an individual entrepreneur who has signed a contract with the issuer for accepting from users electronic money issued by the issuer as a means of payment in exchange for goods sold and/or works performed and/or services rendered and/or other civil transaction in accordance with system rules,

11) “agent” shall mean a financial organization other than the issuer which engages in redemption or refill of electronic purses, as well as distribution of refill cards based on a contract made with the issuer in accordance with system rules,

12) “financial organization” shall mean organization which has obtained a money remittance license or a bank or a branch of a foreign bank operating on the territory of the Republic of Armenia,

13) “repurchase (return) of refill cards” shall mean acquisition by the issuer of non-activated refill cards for their nominal value. The issuer ensures the repurchase of non-activated refill cards except for the case where damage to the card makes it impossible to determine the

authenticity of the refill card or the fact of its having been used. The degree of damage precluding repurchase of refill cards is described in the contract signed between the issuer and the user,

14) “distributor” shall mean a person other than an agent which distributes refill cards on the basis of a contract signed with the issuer.

4. The issuer may issue the following types of electronic money depending on the technology applied:

1) card based electronic money (hereinafter referred to as electronic purse): monetary value contained in a microprocessor (chip) placed in a card or other device the use of which reduces the monetary value in real time, and information on transaction is transferred to centralized database maintained by the issuer,

2) computer system based electronic money (hereinafter referred to as cyber/online money): operating system and special software installed on a computer or other electronic device which allows its user to make a payment for services provided with cyber/online money (prepaid electronic value) acquired in advance in appropriate network or Internet.

5. Electronic money specified in Sub-Paragraph 1, Paragraph 4 of this regulation may be in its turn:

1) refillable electronic purses: monetary value contained in a microprocessor/chip placed in a card or other device and capable of being refilled,

2) single use electronic purses: monetary value intended for a single use contained in a microprocessor-based chip placed in a card not capable of being refilled.

6. The circulation of electronic money specified in Sub-Paragraphs 1 and 2, Paragraph 4 of this regulation may be ensured only by a closed model of electronic money circulation. That model must be structured so as to make the reuse of electronic money impossible (when electronic money received in exchange for services rendered must be presented to the issuer in order to receive equivalent funds in exchange).

7. For purposes of this regulation persons other than the issuer may provide the following services:

1) sale (realization) of refill cards: function which results in provision of refill cards in exchange for cash and (or) non-cash payment of funds,

2) distribution of refill cards: function which results in presentation for sale of printed refill cards by the issuer in person or through a distributor or an agent,

3) redemption of electronic money: function which results in cash or non-cash payment of equivalent funds to the user in exchange for electronic money or conversion into other electronic money,

4) replenishment (refill) of registration account: function which allows the user to acquire electronic money and replenish the registration account in exchange for equivalent funds paid in cash or non-cash or by conversion of electronic money issued by another electronic money system

CHAPTER 3
MINIMUM REQUIREMENTS FOR ISSUER’S REGULATION OF ACTIVITIES, CONTRACTS
AND DOCUMENTS RELATED TO RULES/SCHEMES OF ELECTRONIC MONEY
CIRCULATION

8. The issuer shall enact a regulation of activities which at least includes:
 - 1) a clear procedure for discharge of liabilities assumed as a result of issuing electronic money which will describe the order and conditions of redemption of electronic money issued,
 - 2) the maximum period of validity of electronic money and order and conditions for exchanging the user's electronic money for equivalent funds after the expiration of that period if the issuer has established a maximum period of validity of electronic money,
 - 3) types of services provided by the issuer, as well as the order, conditions and terms of their provision,
 - 4) terms, order and conditions for settlement of monetary liabilities and claims resulting from transactions made between the issuer and other participants,
 - 5) maximum terms, order and conditions for preserving records certifying payments in electronic money and provision of extracts,
 - 6) order of distribution of powers and obligations, as well as responsibility among the participants,
 - 7) order and terms for examining complaints submitted by users, accepting or rejecting complaints as a result of examination,
 - 8) description of identification procedures of each participant in the system, including order and conditions of use of passwords, codes.
 - 9) order and conditions for registering and preserving printed refill cards,
 - 10) order and conditions for registering sold refill cards (including those sold through distributors and agents), as well as making settlements with distributors,
 - 11) order and conditions for registering distributed refill cards (including those distributed through distributors and agents),
 - 12) order and conditions for registering issued (activated) electronic money,
 - 13) order and conditions for registering activated refill cards,
 - 14) order and conditions for registering redeemed electronic money (including that redeemed through agents),
 - 15) order and conditions for registering repurchased refill cards,
 - 16) order and conditions for documenting every transaction related to issuance of electronic money and preserving documents,
 - 17) description of identification procedures of electronic money issued (activated) in the system, including order and conditions for using passwords, codes,
 - 18) description of identification procedures of cards refilled in the system, including order and conditions for using passwords, codes,
9. Prior to providing electronic money to the user the issuer shall enter into a written contract with him which will clearly determine the order and conditions for servicing the electronic money, as well as the issuer's obligation to ensure the servicing of electronic money.
10. The issuer shall ensure that the contract signed with the user at least specifies:
 - 1) rights, duties and responsibilities of the user,
 - 2) rights, duties and responsibilities of the issuer,
 - 3) types of services provided in exchange for electronic money,
 - 4) form of electronic money servicing, network, terms of application/charge of fees, and requirements for servicing, and, if they can be changed, the order and conditions for informing the user about the change,
 - 5) order, conditions and forms of electronic money redemption (including after expiration of validity period), refill/replenishment of registration account,

6) responsibility of the issuer in case of fraud, unauthorized transactions, technical errors and other problems,

7) order of immediate notification of the issuer by the user in case of fraud, unauthorized transactions, technical errors and other problems, including quick-response telephone number,

8) cases and conditions when information about the user may be given to other persons,

9) order and conditions of dispute resolution in case of disagreements with the user.

11. The issuer may sign with persons providing services contracts on acceptance of electronic money issued by it as a tender in exchange for services provided.

12. The contract signed with a person providing services on acceptance of electronic money issued by the issuer as a tender in exchange for services provided shall determine at least:

1) rights and duties of the person providing services as well as responsibility for nonperformance or improper performance by it of its duties,

2) type of services provided by the person providing services, order and conditions of informing users about rates and other terms applicable to them and about changes to them,

3) information about commission fees applied by the issuer,

4) order, conditions and terms of settlement of liabilities arising out of acceptance of issued electronic money as tender in exchange for provision of services,

5) order and conditions of settlement among participants of liabilities arising out of refund of amounts received by the person providing services in exchange for goods sold (including in case of invalidation of transaction).

13. If the distribution of refill cards is carried out by a distributor the contract signed with the issuer includes at the least provisions determining the order, conditions and terms of settlement between the distributor and the issuer as well as rights, duties and responsibilities of the parties.

14. If redemption as well as refill of electronic purses is carried out by an agent, the contract signed with the issuer includes at the least provisions determining the order, conditions and terms of settlement between the agent and the issuer, return/redemption of funds at users' first demand, as well as rights, duties and responsibilities of the parties in the course of refill and redemption of electronic money.

15. Each change to internal regulations, rules and conditions ensuring performance of transactions in electronic money by the issuer shall be recorded/documentated and approved by the executive body.

16. The issuer shall elaborate system rules regulating the circulation of electronic money issued by it which will define the range of participants' powers and obligations. These rules shall clearly define the scheme of electronic money circulation, mechanisms and terms of discharge of duties towards the participants, as well as powers and obligations of each participant during different stages of the whole process and in case of each type of incident/problem and/or fraud, including mechanisms and terms of distribution of damages.

CHAPTER 4

REQUIREMENTS FOR PERFORMING ELECTRONIC MONEY OPERATIONS

17. Electronic money operations shall be performed in accordance with the contract signed between the parties and the system rules.

18. Electronic money held by the issuer in registration account/accounts identifying each user cannot exceed at any given moment the equivalent of 200,000 AMD.

19. Distribution and/or realization of refill cards can be carried out by the issuer or an agent or a distributor which have signed an appropriate contract and operate in accordance with system rules.

20. Repurchase of refill cards is carried out by the issuer in person regardless of who has sold the refill cards.

21. Redemption or replenishment of electronic purses can be carried out by the issuer and/or an agent on the basis of an appropriate contract signed with the issuer in accordance with system rules and through an appropriate hardware-software system.

22. Upon the user's first demand the issuer shall ensure the redemption in person of the electronic money acquired by the user, and also through an agent in case of electronic purses. In the meantime the issuer shall have the right to refuse to redeem electronic money if its value is less than 1000 AMD, provided that this right is specified in the contract signed with the user.

23. The issuer shall ensure the servicing of electronic money issued by it and acquired by the user, bearing the risk of damages sustained by the user as a result of non-performance or improper performance.

24. The issuer shall ensure that the user is able to use electronic money in accordance with the contract signed with the issuer regardless of provisions of contracts signed between the issuer and third parties.

25. Redemption of electronic money in the territory of the Republic of Armenia is made in AMD.

CHAPTER 5

REQUIREMENTS FOR INTERNAL CONTROL AND SECURITY RISK MANAGEMENT DURING THE COURSE OF ISSUER'S ACTIVITIES

26. Procedures of internal control and security risk management during the course of issuer's activities shall include at the least:

1) methods of security risk management, in particular, security procedures used to preserve data on provided services and description of standards,

2) appropriate protective mechanisms which ensure the continuity of information processes in case of failures and emergencies and developed continuity management processes (elaboration of plans to ensure continuity, testing and implementation of these plans, designation of responsible persons, existence of an emergency action plan),

3) methods for managing risks associated with settlements between the issuer and other participants of the system,

4) methods for managing legal risks in connection with legality of activities in the country of foreign electronic money issuer which cooperates with the issuer.

27. In order to meet the requirements specified in Paragraph 26 of this regulation the issuer shall:

1) register and assess procedures applied to information systems used by the issuer,

2) ensure the presence of a document depicting the architectural structure of information networks,

3) establish procedures for obtaining authorizations/membership in case of adhesion to new systems,

4) sign agreements with suppliers and its own employees on non-disclosure of restricted (confidential) information.

28. The issuer shall maintain electronic mail archives for which preservation, inspection and destruction procedures shall be established.

29. The issuer shall maintain electronic records (preservation periods and archiving forms of the records shall be established). All operations of users shall be recorded in special books to which also protective mechanisms shall be applied.

30. The issuer shall perform documentation of processes: all processes related to access to information systems, making changes, obtaining information from systems shall be established and documented.

31. Internet used by the issuer shall be separated from the internal (local) network of the organization through a firewall, which will prevent any direct connection from the Internet environment to electronic money database. Data on firewall debugging are reviewed at least semi-annually.

32. Protective mechanisms shall be applied to information published by the issuer on the web page in order to protect it from changes. Periodic (at least weekly) monitoring of the web page to detect unauthorized changes may be a protective mechanism.

33. The issuer shall build a model of threats. At the same time the issuer shall make periodic assessments of threats and determinations of effectiveness.

34. The issuer shall maintain archives on separate carriers establishing the procedure of archiving by local legal acts.

35. The issuer shall possess information on its own customers and staff.

36. The issuer shall ensure the presence of appropriate documents accompanying software.

37. The issuer shall regulate the processes of processing, entering, receiving and preserving information, as well as of implementing, operating, modifying and restoring software and technical parameters, which shall be coordinated with a person responsible for ensuring information security.

38. The issuer shall ensure the protection of systemic testing data. Data containing confidential information cannot be used during software testing.

39. The issuer shall ensure the possibility of disclosing, registering and examining unauthorized external connections or attempts of such connections.

40. The issuer shall periodically perform network inspections (network scanning), establish the frequency of inspections, responsible persons shall make appropriate reports resulting from inspection.

41. The issuer shall perform registration (inventory) of information assets which will specify the holders of those assets, the level of confidentiality etc. The issuer shall assess its information assets in order to apply appropriate protective mechanisms.

42. The issuer shall familiarize its personnel with information security rules (in case of any change to these rules).

43. The issuer shall organize the protection of equipment used outside the territory (equipment can be moved out of the organization only with management's consent).

44. The issuer shall ensure a clean desk and clean screen policy. Data carriers which are not being used at a given moment shall be kept in special areas (fireproof safe etc.). After being registered and activated in a computer data carriers shall not be left without control, locking systems using encryption shall be used in computers.

45. The issuer shall accept new systems only after performing appropriate tests.

46. The issuer shall develop access policy which shall at the least establish procedures for granting, terminating, suspending, approving authorizations for all users of information.

47. The issuer shall manage the access to network which shall be based on the access management policy. The issuer shall ensure the identification of external connections.

48. The issuer shall plan software development works by identifying, substantiating security rules and security management tools, and coordinating them with the information security unit, as well as documenting them.

49. The whole process of delegated (outsourcing) development of software used by the issuer shall be controlled by the issuer.

CHAPTER 6

REQUIREMENTS FOR EQUIPMENT USED DURING THE COURSE OF ISSUER'S ACTIVITY, HARDWARE-SOFTWARE COMPLEX AND SECURITY

50. The issuer shall ensure the existence of a clear description of the process of mandatory identification of participants and users of information. In particular, it shall ensure that information be provided only to authorized users while ensuring the integrity of data and protection of information against unauthorized changes.

51. The issuer shall establish requirements for operations of filling, reducing, and exchanging for cyber currency (converting into other electronic money) of electronic purses/carriers, including order and conditions of refill of electronic purses.

52. In order to ensure the operation of equipment used by the issuer and security requirements the procedures developed by the issuer shall include at the least:

- 1) information security policy,
- 2) procedure for identification and certification of participants, and in case of users at the least the name, surname and passport data,
- 3) rules of information risk management,
- 4) emergency action plan and list of measures,
- 5) archiving rules,
- 6) rules for application and protection of passwords,
- 7) procedure for identification of issuer electronic money and refill cards,
- 8) legal act on management of information networks,
- 9) rules on software outsourcing if software is outsourced,

53. Requirements for identification and certification specified in Sub-Paragraph 2, Paragraph 52 of this regulation need not be established if electronic money is used exclusively for making payments to persons providing the following services:

- 1) supply of electricity, heating or gas, or
- 2) water supply, sanitation and waste-water cleaning, or

3) fixed or mobile telephone.

54. The amount of operations conducted through a registration account which does not identify the user and is provided for making payments specified in Paragraph 53 of this regulation shall not exceed 100,000 AMD per day, 200,000 AMD per month, and the number of such transactions shall not exceed 15 per month.

55. The information security policy developed by the issuer shall at the least:

1) ensure the existence of a mechanism of dual control over data input by separating the duties of the responsible for technical security and software security and those of the system administrator,

2) regulate and ensure the all-day process of accessing database and perform works,

3) include measures aimed at network protection, including the policy of using Internet resources,

4) include anti-virus policy,

5) include rules on work with information protected by law and containing secrets (collection, preservation, deletion),

6) include rules on use of external carriers,

7) include rules on use of applied equipment,

8) include everyday security procedures (rules of using personal computers and data carriers, analysis of electronic records etc.),

9) establish information security-related duties of all employees.

56. In regulatory documents related to the operation of external carriers the issuer shall at least establish:

1) list of carriers on which the storage of data is organized, the place of their storage,

2) existence of regulatory documents related to the operation of external carriers,

3) protective mechanisms for carriers: periods of preservation of carriers, procedures for their destruction shall be established (means of destruction and responsible persons).

57. Rules on information risk management developed by the issuer shall establish:

1) list of persons responsible for information security,

2) network security policy,

3) physical protection measures,

4) mechanisms for protection of confidential information, only in encrypted form.

58. Rules and procedures shall be developed by the issuer in such a way as to ensure the continuity of information process as well as provision of payment and settlement services by the organization in case of failures or emergencies in periods and under conditions set in advance. The emergency action plan and the list of measures developed by the issuer shall include:

1) classification of emergencies by level of potential damages, and classification of implemented systems by importance,

2) program of measures aimed at preventing emergencies, calculating time and resources necessary for elimination of consequences of emergencies.

59. The following principles shall be ensured when the list of persons responsible for information security is set by the issuer:

1) responsibility of management for information security (in order to implement the security policy a responsible person shall be designated from among the managers), as well as designation of persons responsible for security,

2) imposition of responsibility on administrators,

3) provision of information only to authorized users,

4) existence of mechanisms for protection against erroneous or deliberate illegal acts of the personnel,

5) policy of protection and management of electronic identification files, passwords.

60. Measures of physical protection developed by the issuer shall ensure the following principles:

- 1) power supply and network cables of the organization are protected (under ground cabling, separation of network and power supply cables etc.),
- 2) servers are equipped with uninterrupted power supply systems,
- 3) server rooms are separated and physically protected (access-control systems, window and door alarm systems, motion detectors etc.).

CHAPTER 7

ORDER AND CONDITIONS OF SUBMISSION AND COMPLETION OF REPORTS ON SERVICING OF ELECTRONIC MONEY BY ISSUER

61. The issuer shall monthly submit to the Central Bank report number 11 “On issued electronic money, refill cards, servicing and redemption of electronic money,” defined by Annex 2 to this regulation (attached) in which information is presented on electronic money, refill cards issued by the reporting organization, servicing of electronic money and electronic money redeemed by it or its agents. Reports are submitted exclusively in electronic form through a terminal connected to CBANet system, electronic mail, in “xls” format according to files provided by the Central Bank. Reports are submitted to the Central Bank in protected files (“Microsoft Office 97” or its improved version) sent to the issuer by the unit of the Central Bank responsible for accepting and summarizing reports and their modification is prohibited. A report submitted otherwise is deemed to be unaccepted. In addition, report data shall be completed as of the last day of the reporting period. If the issuer submits an incomplete or blank form of the report it is deemed to be not submitted.

62. In submitting a report on electronic carriers or by electronic mail files shall be encoded using a five-digit code provided to the issuer by the Central Bank and a corresponding report.

63. The first table “On issued and redeemed electronic money” of report number 11 shall specify data on electronic money issued (activated), refilled and redeemed during the reporting month, as well as on active electronic money of the issuer as of the end of the reporting period.

Data on issued (activated) and refilled electronic money, the amount and number, shall be filled in the “Issuance (activation), refill of electronic money” line of the table according to the classification of the “types of electronic money” column. At the same time data on electronic purses refilled through agents shall be separated in the “including refill through agents” line.

Data on electronic money redeemed by the issuer, the amount and number, shall be filled in the “Redemption of electronic money” line of the same table according to the classification of the “types of electronic money” column, at the same time, data on electronic purses redeemed through agents shall be separated in the “including redemption through agents” line.

Data on funds available on registration accounts and number of these accounts shall be filled in by the issuer in the “Total liabilities as of the end of the month” line according to the classification of the “types of electronic money” column and the “Card system based electronic money or electronic purses” sub-column.

64. The second table “Methods of distribution of electronic money refill cards and refill” of report number 11 shall indicate data on refill cards acquired by users during the reporting

month and direct increases of registration accounts/records kept in the system. The “Distribution of refill cards” column indicates the amount and number of refill cards distributed for the purpose of replenishing registration accounts/records held in the system in the name of users according to the classification of the “Methods of distribution of refill cards” column.

The “Direct activation/refill of electronic money” column indicates the amount and number of replenishments of registration accounts/records held in the system in the name of users the refill of which was accomplished directly by any one of the classifications specified in the “Methods of distribution of refill cards” column without provision/use of refill cards. Data filled in the “Distribution of refill cards” and “activation/direct refill of electronic money” columns are mutually exclusive.

In addition, the amount and number of refill cards acquired in service locations of the issuer, agent or distributor shall be filled in the “In cash” line. At the same time information on refill cards acquired and direct refills at service locations of agents and distributors shall be separated and filled in the “including through agents” and “including through distributors” lines respectively according to requirements for filling corresponding columns.

The “Through bank accounts” line of the same table shall indicate the amount and number of those refill cards acquired and direct refills made for which payment is made through bank accounts. At the same time information on refill cards acquired and direct refills made through payment cards shall be separated in the “including through payment cards” line according to the classification of the “Distribution of refill cards” and “direct activation/refill of electronic money” columns.

The amount and number of refill cards acquired and direct refills made through conversion of electronic money of other systems shall be filled in the “through conversion of other electronic money” line of this table according to the classification of corresponding columns.

Total data in lines of corresponding columns shall be filled in the “Total” line, excluding redundancies.

65. The third table “Methods of redemption of electronic money” of report number 11 shall indicate the amount of liabilities discharged during the reporting month in exchange for electronic money available on registration accounts held by the issuer in the name of users and the number of redemptions according to the classification of the “Redemption methods” column.

In addition, the amount and number or cash payments made to users in exchange for redeemed electronic money at service locations of the issuer and agent shall be filled in the “Redeemed in cash” line. At the same time, the amount and number or cash payments made to users at service locations of agents registered in the system shall be filled in the “including through agents” line.

The “To bank accounts” line of this table shall indicate the amount and number of funds transferred to bank accounts specified by users in exchange for electronic money redeemed by the issuer. At the same time, the amount and number of transfers made to card accounts specified by users shall be separated in the “including through payment cards” line.

The amount of electronic money redeemed and withdrawn from the system through conversion into electronic money of other systems shall be filled in the “through conversion to other electronic money” line of the same table.

Total data on redemptions made by corresponding methods specified in the table shall be filled in the "Total redeemed" line, excluding redundancies.

66. The fourth table "Printed, distributed, refilled or repurchased refill cards according to nominal value" of report number 11 shall indicate the amount and number of refill cards printed, distributed, including by agents and distributors, actually refilled (activated) and repurchased by the issuer during the reporting month according to the nominal value. The amount and number of refill cards printed but still not distributed and distributed but still not activated as of the end of the reporting month shall also be shown in the table according to the nominal value.

The "Nominal value of refill cards" column of this table shall indicate the nominal value of refill cards printed by the organization.

The amount and number of refill cards released by the issuer into circulation during the month, including those distributed (realized) and activated shall be filled in the "Printed refill cards" column of the table according to corresponding nominal value. Information on refill cards distributed during the month is filled in the "Distributed refill cards" column according to the classification of corresponding sub-columns. In addition, the amount and number of refill cards distributed through service locations of the issuer shall be filled in the "Through service locations of the issuer" sub-column, according to the nominal value, and the amount and number of refill cards distributed through service locations of distributors shall be filled in the "Through service locations of agents/distributors" sub-column, according to the nominal value. The amount and quantity of electronic money replenished and activated with refill cards acquired by users during the month shall be filled in the "issuance (activation) and replenishment of electronic money" column of this table, according to the nominal value.

The amount and number of refill cards acquired by users but subsequently repurchased by the issuer and not activated shall be filled in the "Repurchased refill cards" column of the same table, according to the nominal value.

The "Total" line shall indicate data on total amount and number of corresponding columns.

67. The fifth table "Types of operations conducted in electronic money" of report number 11 shall indicate information on the amount and number of payments made during the current month in electronic money available on registration accounts of users registered by the issuer, according to the classification of the "types of electronic money" column and the "Card-based electronic money or electronic purses" sub-column. Operations conducted in electronic money shall be separated and presented according to the differentiation specified in the "Types of operations" column. In addition, total amount of payments made by users in the system for utilities ("1. water," "2. gas," "3. electricity," "4. mobile phone services," "5. payments for fixed-line telephone services" lines) shall be filled in the "Utilities, including:" line, according to the classification of the "types of electronic money" columns. Information on the amount and number of payments made for goods, works and (or) services by users in the system shall be filled in the "Payments for services provided" line of the same table. The amount and number of operations related to conversion by users registered in the system of electronic money available on their registration accounts to electronic money of other systems shall be filled in the "Conversions of electronic money to electronic money issued by other systems" line of the table.

The amount and number of transfers made by users registered in the system to financial organizations registered in the system in connection with repayment of credits shall be filled in the "Repayment of credit" line.

Data filled in different lines of the table according to the classification specified in the "Types of operations" column shall not be repetitive.

In case of provision of services differing from classifications specified in the "Types of operations" column of the table the issuer may apply to the Central Bank to add a corresponding line to the report. During the first month these services shall be filled in the "Other (specify)" line.

Total amount and number of lines of the table shall be filled in the "Total operations" line, according to corresponding columns.

68. The sixth table "On registration accounts opened and held with the issuer in the name of users and service providers" of report number 11 shall indicate information on registration accounts opened by the issuer during the reporting month and maintained in the system as of the end of the reporting month. Data in the table shall be classified according to the "Users" and "Service providers" separation shown in the "Participants" column. The "Users" and "Service providers" lines of the table shall indicate appropriate data on users and service providers registered in the system, according to the definition given for purposes of this regulation.

The number of registration accounts opened in the system during the reporting month shall be filled in the "Registration accounts opened during reporting period" line of this table, classifying by lines of the "Participants" column.

The "Total active registration accounts" column shall indicate the number of registration accounts registered in the system as of the end of the reporting period through which at least one transaction was conducted during the last one year. The latter are separated according to the "Service providers" and "Users" lines.

The "Total registration accounts" column of the table shall indicate the number of all accounts held in the system as of the end of the reporting period.

The "Total balance of registration accounts" column of the table shall indicate the balance of registration accounts registered in the system as of the end of the reporting month.

Total data on table lines shall be filled in the "Total participants" line, according to corresponding columns.

69. The seventh table "Refill of registration accounts opened with the issuer and held in the name of participants according to equipment/environment" of report number 11 shall indicate data on electronic money refilled/activated during the reporting month on registration accounts opened/held with the issuer according to methods of refill the classification of which is shown in the "Equipment/environment of actual activation of electronic money" column. In addition, the "At offices of the issuer/agent (cash)" line shall indicate data on the amount and quantity of electronic money refilled/activated in exchange for cash paid at service locations of the issuer/agent during the reporting month, according to the separation of the "types of electronic money" column and the "Card system based electronic money or electronic purses" sub-columns. The "Through terminals" line of the table shall indicate data on amount and quantity of electronic money refilled/activated through terminals serviced by the system during

the reporting month, according to corresponding separation of the “types of electronic money” column.

The “By telephone” line of the table shall indicate data on amount and quantity of electronic money refilled/activated in the system during the reporting month by telephones/mobile phones.

The “By ATM” line of the table shall indicate data on amount and quantity of electronic money refilled/activated in the system during the reporting month by ATMs, according to the separation of the “types of electronic money” column.

The “Through Internet” line of the table shall indicate data on amount and quantity of electronic money refilled/activated in the system during the reporting month through Internet, according to the separation of the “types of electronic money” column.

70. The eighth table “On agents and distributors cooperating with the issuer” of report number 11 shall indicate information on distributors, agents, or electronic systems participating in the system which cooperate with the issuer as of the end of the reporting month. In addition, information on distributors which have signed contracts on distributing refill cards with the issuer as of the end of the reporting month shall be filled in the “Refill cards distributors” line, and information on agents which have signed contracts on redeeming, replenishing and distributing electronic purses with the issuer as of the end of the reporting month shall be filled in the “Agents” line.

Information on other electronic money systems which have been members of the issuer’s system as of the end of the reporting month shall be filled in the “Other electronic money systems participating in the system” line of this table.

Annex 1
To Regulation 16/2 “Order and Conditions of
Issuance and Servicing (Circulation) of Electronic Money,
Requirements for Conducting Transactions in Electronic Money“
approved by decision No. 73 of April 13, 2010
of the Board of the Central Bank of the Republic of Armenia

LIST OF EXEMPTED SERVICES

1. This regulation does not apply to services which are provided by means of prepaid monetary value and which:

1) may be used only in a limited network which is a distribution network of a single organization (public transportation cards, gasoline cards, trading cards, membership cards, food vouchers, service vouchers etc.),

2) operate in a limited geographical area, the description of which is clearly defined.

2. This regulation does not apply to monetary values which are used to acquire digital goods (services) and are provided exclusively by mobile operators, if:

1) it follows from the nature of the goods (services) that the operator increases their value by providing access, search or distribution services, and

2) these goods (services) may be used only by a digital device (e.g. a mobile phone), and

3) the operator does not act solely as intermediary between the recipient of the payment service and the provider of goods (services).

Annex 2

REPORT

NUMBER 11 "ON ISSUED ELECTRONIC MONEY, REFILL CARDS, SERVICING AND REDEMPTION OF ELECTRONIC MONEY" (MONTHLY)

Organization name _____

Date from _____ to _____

1. On issued and redeemed electronic money

	Types of electronic money						TOTAL	
	Card system based electronic money or electronic purses				Computer system based electronic money			
	One time		Refillable					
	Amount (1000 AMD)	Number	Amount (1000 AMD)	Number	Amount (1000 AMD)	Number	Amount (1000 AMD)	Number
Issuance (activation), refill of electronic money							0	0
including refill through agents					X	X	0	0
Redemption of electronic							0	0

money								
including redemption through agents					X	X	0	0
Total liabilities as of the end of the month							0	0

2. Methods of distribution of electronic money refill cards and refill

Means of distribution of refill cards	Distribution of refill cards		Direct activation/refill of electronic money	
	Amount (1000 AMD)	Number	Amount (1000 AMD)	Number
In cash				
including through agents				
including through distributors			X	X
Through bank accounts				
including through payment cards				
Through conversion of other electronic money				
Total	0	0	0	0

3. Methods of redemption of electronic money

Methods of redemption	Redemption	
	Amount (1000 AMD)	Number
Redeemed in cash		

Other (specify)							0	0
							0	0
							0	0
							0	0
Total operations	0	0	0	0	0	0	0	0

6. On registration accounts opened and held with the issuer in the name of users and service providers

Participants	Registration accounts opened during the reporting period	Total active registration accounts	Total registration accounts	Total balance of registration accounts
	number	number	number	amount (1000 AMD)
Service providers				
Users				
Total participants	0	0	0	0

7. Refill of registration accounts opened with the issuer and held in the name of participants according to equipment/environment

Equipment/environment of actual activation of electronic money	Types of electronic money						Total
	Card system based electronic money or electronic purses				Computer system based electronic money		
	Single use		Refillable				

	Amount (1000 AMD)	Number	Amount (1000 AMD)	Number	Amount (1000 AMD)	Number	Amount (1000 AMD)
At offices of the issuer/agent (cash)							0
Through terminals							0
By telephone							0
By ATM					X	X	0
On Internet							0
Total	0	0	0	0	0	0	0

8. On agents and distributors cooperating with the issuer

	Number
Distributors of refill cards	
Agents	
Other electronic money systems participating in the system	
Total	0

Stamp place	President of the organization's administration (Chief executive officer) Chief financial officer
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