

Introducing Changes and Additions to the Republic of Armenia Central Bank Board Resolution No. 114-N, dated March 25, 2003

2025-03-13

THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA

BOARD RESOLUTION

March 13, 2025; No. 33-N

Introducing Changes and Additions to the Republic of Armenia Central Bank Board Resolution No. 114-N, dated March 25, 2003

Publication date` 13.03.2025

For the purpose of aligning the requirements to managers of and qualifying holders in financial organizations with international standards and increasing the effectiveness of the procedures in use; In view of Article 3.1 (2) (“d” and “f”) of the Republic of Armenia Law “On the Central Bank of the Republic of Armenia”; Pursuant to Article 2 (3) and Article 20 (1) (“e”) of the Republic of Armenia Law “On the Central Bank of the Republic of Armenia”, and Article 33 (1) and (3) and Article 34 of the Republic of Armenia Law “On Normative Legal Acts”, the Board of the Central Bank of the Republic of Armenia

E n a c t s:

1. Introduce the following changes and additions to Appendix 1 “Guideline to Becoming a Manager in Financial Organizations, Manager Deregistration; Purchasing a Qualifying Holding and/or Other Participation, or Terminating a Qualifying Holding” as established under the Republic of Armenia Central Bank Board Resolution No. 114-N, dated March 25, 2003 (hereinafter referred to as the “Appendix 1”);

1) In point 2 of Appendix 1, after the word “fund manager” add the expression “, credit

organization, payment and settlement organization, branch office of a foreign investment firm, branch office of a foreign investment fund manager, party in charge of managing a non-public investment fund, insurance broker, pawnshop, party carrying out trading in foreign currency (exchange office)”;

2) Rewrite point 3 of Appendix 1 as follows:

“3. An application to become a manager of a financial organization, to purchase a qualifying holding, or to purchase other participation as defined under Article 18¹ (1) of the Republic of Armenia Law “On Banks and Banking Activities” (hereinafter referred to as “other participation”) shall be rejected, a manager deregistered, and the existing qualifying holding terminated if the party or a person affiliated therewith has previously committed an act which, in the opinion of the Central Bank of the Republic of Armenia (hereinafter referred to as the “Central Bank”) and supported by this Guideline, provides grounds to suspect that the party is unfit to manage the relevant area of the financial organization’s activities, or the actions of that party may result in the bankruptcy of the financial organization, its financial deterioration, or discredited authority and business reputation.”;

3) After point 3 of Appendix 1, add point 3.1 with the following content:

“3.1. The Central Bank shall reject applications for the position of manager of a financial organization, qualifying holding or other participation by those parties:

1) who have an outstanding or unexpunged conviction for an intentional crime committed in the Republic of Armenia or in other states,

2) who are included in the lists of persons related to terrorism or proliferation of weapons of mass destruction published under or in accordance with the United Nations Security Council resolutions.

Moreover, the Central Bank may reject applications for the position of manager of a financial organization, qualifying holding or other participation by those parties the persons affiliated therewith have an outstanding or unexpunged conviction for an

intentional crime committed in the Republic of Armenia or in other states.”;

4) In point 4 of Appendix 1:

a/ replace the words “or qualifying holding” with the words “, qualifying holding or other participation”,

b/ remove the words “Personally or a person affiliated therewith” from subpoint 7,

c/ in subpoint 9 (“b”), replace the expression “office servants” with the word “employees”;

5) Rewrite point 5 of Appendix 1 as follows:

“5. In the event the grounds specified in point 3.1 of this Guideline exist for a manager, qualifying holder, and for a beneficial owner as well (in the event of qualifying holding), the manager registered in a financial organization shall be deregistered, or the existing qualifying holding shall be terminated. In the event the grounds specified in point 4 of this Guideline exist, the matters related to purchasing a qualifying holding or other participation or registering a manager in a financial organization, and deregistering a manager, terminating an existing qualifying holding shall be discussed at a meeting of the Board of the Central Bank of the Republic of Armenia and may serve as a basis for rejecting applications for purchasing a qualifying holding or other participation or registering a manager in a financial organization, and deregistering a manager, terminating an existing qualifying holding.”;

6) Revoke point 8 of Appendix 1.

2. This resolution to enter into force on the day following its official publication.

Martin Galstyan

Governor,

Central Bank of the Republic of Armenia

Yerevan

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