

to Appendix to Regulation 10/41 “Procedure for Issuing a Permit to Management of a Non-Public Investment Fund”

BUSINESS PLAN

1. The entity responsible for managing a non-public fund shall submit its business plan for the next three years to the Central Bank of the Republic of Armenia.
2. This Appendix defines the procedure for submitting the three-year business plan of the entity responsible for managing a non-public fund to the Central Bank of the Republic of Armenia.
3. The purpose of the business plan is to present to the Central Bank of the Republic of Armenia the activities planned by the management entity and the strategy it has chosen.
4. The business plan must be approved by the competent governing body of the management entity.
5. The business plan shall, at a minimum, contain the information specified in the plan form set out in Sub-appendix 1 to this Appendix. Additional information may be included where it plays a significant and substantive role in the business plan.
6. Where the information provided is insufficient to assess the activities, strategy, or adequacy of resources of the non-public fund management entity, the Central Bank of the Republic of Armenia may request additional information or clarifications.

Sub-appendix 1

CHAPTER 1

DESCRIPTION OF THE MANAGEMENT ENTITY

7. General information about the management entity shall be provided, including the date of establishment (except in the case of an organization applying for a permit), organizational and legal form, geographical location, and any other information deemed relevant.

CHAPTER 2

OBJECTIVES

8. The objectives adopted by the management entity shall be presented in order of priority. These objectives may be quantitative or qualitative in nature, and may be general in scope, provided they are realistic and capable of being evaluated (measured) based on the results of their implementation.

CHAPTER 3

MAIN DIRECTIONS OF ACTIVITY

9. The scope of operations and services of the management entity shall be described, including, in particular:
- 1) the types of funds and sub-funds currently managed by the management entity, as well as those planned to be established, in accordance with the classifications defined by the Law, indicating their number by type;
 - 2) the target investment segments, broken down by economic sector, geographical distribution, type of assets, and, if desired, other relevant criteria;
 - 3) the main client groups, categorized by region, residency, legal status, and/or other relevant criteria.

CHAPTER 4

INTERNAL STRUCTURE AND MANAGEMENT PRINCIPLES

10. This section shall include:
- 1) A schematic representation of the ownership structure of the management entity. Where the entity is a member of a financial group, the group structure shall also be presented.
 - 2) A brief description of the activities of significant participants that are legal entities, and, if applicable, of the other members of the financial group.
 - 3) A schematic representation of the internal organizational structure of the management entity, indicating the names and main functions of structural divisions and services, as well as the relationships between them.
 - 4) The structure of the internal monitoring unit, including cases where functions are delegated.
 - 5) A schematic representation of the structure for implementing fund management functions, including any delegated functions.
 - 6) Where applicable, a description of the board structure, as well as of existing or planned committees.

CHAPTER 5

TABLES ATTACHED TO THE BUSINESS PLAN

11. The following tables shall be attached to the business plan:
- 1) Forecasts of financial assets under management, prepared in accordance with Table 1 of Sub-appendix 2;
 - 2) Data on each type of fund under management, prepared in accordance with Table 2 of Sub-appendix 2.
12. The tables attached to the business plan shall cover a period of three (3) years. For example, if the plan is submitted to the Central Bank of the Republic of Armenia on February 15, 20X, the dates in the columns shall be filled in as follows:
- 1) Actual amount as of December 31 of the previous year (December 31, 20(X-1));

- 2) As of January 1 of the first planning year (January 1, 20X);
- 3) As of January 1 of the second planning year (January 1, 20(X+1));
- 4) As of January 1 of the third planning year (January 1, 20(X+2)).