

Regulation 7/04

Requirements for the Form and Content of the Crypto-Assets Offer Document; Procedure for Submitting the Offer Document to the Central Bank

CHAPTER 1

General Provisions

1. This Regulation establishes:
 - i) the requirements for the form and content of the offer document, depending on the types of crypto assets offered; and
 - ii) the procedure for submitting the offer document and any updated offer document to the Central Bank of the Republic of Armenia (the Central Bank).
2. The requirement to publish an offer document shall not apply to public offers of crypto assets where the total value of the crypto assets offered, calculated at the issue or sale price within a period of 12 months (from the date of publication of the offer), does not exceed AMD 20 (twenty) million.
3. The issuer or the person requesting permission to trade crypto assets on a trading platform, or, in the case provided for in Article 6(2) of the Republic of Armenia Law “On Crypto-Assets” (hereinafter referred to as “the Law”), the platform operator, may include in the offer document information other than that required by this Regulation.
4. The requirements of Chapter 8 of this Regulation shall apply only to the offer document prepared for the purpose of: a/ making a public offer in the territory of the Republic of Armenia, or b/ requesting permission for trading on a trading platform of a crypto asset issued by a foreign issuer for which an offering document has already been published.

5. Where the offer document contains references, the person who published that offer document shall ensure their continued relevance by updating the offer document where changes occur.

CHAPTER 2

Basic Definitions

6. For the purposes of this Regulation, the following definitions shall have the meanings set out below:

- 1) **“Group”** means an entity presenting consolidated financial statements in the cases defined by International Financial Reporting Standard 10 “Consolidated Financial Statements” or another internationally recognized standard;
- 2) **“Underwritten Placement”** means a placement whereby the underwriter undertakes to purchase and sell the entire volume of issued crypto assets within a specified period or assumes a financial obligation to purchase any unsold crypto assets;
- 3) **“Risk Factors”** means a list of risks specific to the issuer, the crypto asset, the crypto-asset project, or the technology underlying the crypto asset that a reasonable acquirer would consider when making an acquisition decision;
- 4) **“Subscription”** means an application to acquire a crypto asset that has not yet been issued;
- 5) **“Subscriber”** means a person who has submitted an application to acquire a crypto asset that has not yet been issued;
- 6) **“Crypto-Asset Project”** means a project within the framework of which the crypto asset is issued.

7. Other terms/definitions used in this Regulation shall have the meanings assigned to them by the Law.

CHAPTER 3

Procedure for Submitting the Crypto-Assets Offer Document to the Central Bank

8. The offer document referred to in this Regulation shall be submitted to the Central Bank electronically: via e-mail to secretariat@cba.am, on an electronic medium/device, or where access to the CBANet system is available, via the CBANet system, in PDF format.

9. When submitting to the Central Bank an amended or supplemented version of the offer document, as well as an updated offer document submitted in accordance with Article 14(3) of the Law, the following shall be provided:

- 1) the final version of the offer document incorporating the amendments, supplements and updates;
- 2) the most recently published version of the offer document containing the proposed amendments and supplements, submitted in editing (tracked-changes) mode; and
- 3) the justifications for the updates to the offer document, where the offer document is updated in accordance with Article 14(1) of the Law.

CHAPTER 4

Form of the Crypto-Assets Offer Document and Minimum Information Included in the Crypto-Assets Offer Document

10. The crypto-assets offer document shall consist of the following parts:

- 1) Cover page,
- 2) “Contents”,
- 3) “Responsible persons”,
- 4) Summary sheet in accordance with the requirements of Article 13(4) of the Law,
- 5) “Issuer of the crypto-asset”,
- 6) “Person making the public offer” or “Person requesting to be admitted to trading”, where the issuer and the person making the public offer or requesting to be admitted to trading on a trading platform are different persons,
- 7) “Crypto-asset and crypto-asset project”,
- 8) “Public offer of the crypto-asset” or “Request to be admitted to trading on a trading platform”,
- 9) “Risk factors”,
- 10) “Reserve assets”, where the offer document is submitted for a crypto-asset that is an asset-referenced token, except for electronic money tokens.

11. The cover page shall include at least:

- 1) the name and type of the crypto-asset,
- 2) the words: “CRYPTO-ASSETS OFFER DOCUMENT – PUBLIC OFFER”, or “CRYPTO-ASSETS OFFER DOCUMENT – REQUEST TO BE ADMITTED TO TRADING”,
- 3) the name of the person publishing the offer document,

- 4) the name of the principal underwriter of the crypto-asset, where applicable,
- 5) a prominently displayed statement with the following wording:
“THE OFFER DOCUMENT HAS NOT BEEN APPROVED BY THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA. THE CENTRAL BANK DOES NOT GUARANTEE THE ACCURACY OR AUTHENTICITY OF THE INFORMATION INCLUDED IN THE OFFER DOCUMENT AND DOES NOT GUARANTEE THE SECURITY OF INVESTMENTS IN CRYPTO-ASSETS.”,
- 6) the statements as established in Article 13(3) of the Law.

12. The “Contents” section shall clearly and concisely reflect the structure and content of the offer document.

13. The “Responsible persons” section shall include:

- 1) the name, surname, position and signature of the responsible persons; for the purposes of this paragraph, the responsible persons shall be:
 - i) all members of the executive body of the person preparing and publishing the offer document; and
 - ii) where a board of directors (supervisory board) is formed, the majority of the members of that board; where a person is responsible only for specific parts of the offer document, a note to that effect shall be included;
- 2) the following statement: “We, the undersigned, certify that we have taken all reasonable steps to ensure the accuracy and completeness of the information included in the crypto-assets offer document. To the best of our knowledge, the information contained in the offer document is accurate and complete and does not contain any omissions that could distort the content of the offer document.”.

14. The “Issuer of the crypto-asset” section shall include at least:

- 1) the name,
- 2) the organizational-legal form,
- 3) the state registration address and registration number,
- 4) date of registration of the organization,
- 5) location of the organization, the legislation of the country under which the issuer operates, the country of incorporation of the issuer, the location specified in the charter, and the actual place of business if different from the location specified in the charter,
- 6) contact details of the organization: telephone number, e-mail address and website,

- 7) where the issuer is a member of a group, the structure of the group presented schematically and the position of the organization within the group,
- 8) a description of the functions and principal activities of the organization; where the issuer is a member of a group, the functions and principal activities of the parent organization shall also be described.

15. The information specified in paragraph 14 of this Regulation shall also be included in the section “Person making the public offer” or “Person requesting to be admitted to trading”. Where the person requesting to be admitted to trading is a platform operator, only the information specified in subparagraphs 1, 2, 6 and 8 of paragraph 14 of this Regulation may be provided.

16. The “Crypto-asset and crypto-asset project” section shall include at least:

- 1) the name and identifying code of the crypto-asset,
- 2) the name and description of the crypto-asset project,
- 3) the country under whose legislation the crypto-asset was issued,
- 4) the characteristics of the crypto-asset and a description of its functionality,
- 5) the names and roles of persons involved in the implementation of the crypto-asset project who have a significant role,
- 6) where applicable, information on future plans related to the crypto-asset, including a description of significant events that have already occurred and those planned,
- 7) the rights and obligations referenced to the crypto-asset, including:
 - a) a description of the rights and obligations arising from the crypto-asset, including restrictions on those rights and the procedure for exercising them,
 - b) where different rights are referenced to different groups of holders, the justification for those differences,
 - c) a description of the conditions under which the rights and obligations referenced to the crypto-asset may change,
 - d) where applicable, information on any subsequent public offering of the crypto-asset by the issuer, including the number of crypto-assets repurchased and held by the issuer,
 - e) where and how the crypto-assets may be acquired or sold after the public offer, where admission to trading is not requested,
 - f) information on any restrictions on the transferability of crypto-assets offered to the public or for which admission to trading is requested,

- g) where the terms of the crypto-asset offering may change according to demand fluctuations under a defined procedure, a description of that procedure,
 - h) where applicable, a description of mechanisms protecting the value of the crypto-asset and compensation schemes, or a statement that such mechanisms or schemes do not exist,
- 8) the technologies underlying the crypto-asset, including:
- a) information on the technologies used, including the decentralized ledger, software protocols and technical standards, and, where applicable, the addresses of smart contracts deployed by the issuer; moreover, where the crypto-asset is issued, transferred or stored on a decentralized ledger managed by the issuer or a person affiliated with the issuer, this affiliation shall be disclosed,
 - b) where the decentralized ledger is managed by a specific person, a description of that person's powers/competences to manage the ledger,
 - c) where applicable, the consensus mechanism used,
 - d) the incentive mechanisms implemented to ensure the execution of transactions on the decentralized ledger and any applicable fees,
 - e) where a technology audit has been conducted, information on the audit opinion or a statement that no technology audit has been conducted.

17. The section "Public offer of a crypto-asset" or "Request to be admitted to trading on a trading platform" shall include at least:

- 1) where available, the number of crypto-assets subject to the public offer or admitted to trading, and the schedule and conditions for the acquisition of crypto-assets by the founders and employees of the issuer (where such an opportunity is provided),
- 2) where a deadline for the public offer is established, the beginning and end of the subscription period, including any possible changes to those deadlines,
- 3) a detailed description of the process for applying for participation in the public offer, including, specifically, the steps to be taken by a person wishing to acquire the crypto-assets,
- 4) the circumstances under which the public offer may be postponed or cancelled, including whether the offer may be cancelled after transactions have already been made, and the procedure for returning funds to purchasers where the offer is cancelled,

- 5) where applicable, minimum and maximum subscription thresholds and, where oversubscriptions are accepted, the allocation (distribution) procedure and the procedure for returning amounts paid by subscribers,
- 6) the offer price of the crypto-asset, expressed in Armenian dram (or, where other crypto-assets are collected, in the relevant crypto-asset); where the price is not known, the method or conditions for determining the price shall be indicated, together with the procedure for disclosing the offer price; any costs to be borne by the subscriber or purchaser shall also be specified,
- 7) the categories of investors to whom the offer is addressed (public investors, qualified investors, institutional investors, etc.), and any restrictions applicable to those categories,
- 8) where subscriptions are accepted, a clear provision stating that subscribers will be compensated in the following cases:
 - a) where subscribers exercise the right to withdraw from the contract for the acquisition of crypto-assets provided for in Article 15 of the Law,
 - b) where the public offer is cancelled,
- 9) where subscriptions are accepted, a description of the compensation procedures and deadlines referred to in subparagraph 8,
- 10) where applicable, information on discounts available for early subscription; where discounts apply to specific categories of investors, the justification for such discounts shall be provided,
- 11) where applicable, a description of the procedures established by Article 10(3) of the Law,
- 12) possible payment methods for acquiring the crypto-assets and methods for returning or redeeming paid funds where such refunds or redemptions are applicable,
- 13) where applicable, information on the right to withdraw from the contract for the acquisition of crypto-assets provided for in Article 15 of the Law,
- 14) the methods and timeframe for receiving the acquired crypto-assets,
- 15) the technical requirements that a person acquiring crypto-assets must meet in order to store them,
- 16) where applicable, the name of the underwriter and the type of placement (whether underwritten or non-underwritten),
- 17) where applicable, the name of the trading venue for which admission to trading is requested, information on investor access to that trading venue and the costs associated with using the platform,
- 18) potential conflicts of interest of persons involved in the public offer or in the request to be admitted to trading.

18. The “Risk Factors” section shall include at least:

- 1) risk factors and their characteristics that are specific to the issuer and its areas of activity,
- 2) risk factors and their characteristics that are specific to the crypto-asset being offered or admitted to trading,
- 3) risk factors and their characteristics related to the launch of the crypto-asset project,
- 4) risk factors and their characteristics that are specific to the technology underlying the crypto-asset, as well as mechanisms for mitigating those risk factors, where applicable.

CHAPTER 5

Information Included in the Offer Document of a Crypto-Asset That is not an Asset-Referenced Token

- 19.** The offer document of a crypto-asset that is not an asset-referenced token, including an electronic money token, shall, in addition to the information specified in Chapter 4 of this Regulation, include the information specified in this Chapter.
- 20.** In the section “Issuer of the crypto-asset”, in addition to the information specified in paragraph 14 of this Regulation, an analysis of the financial condition of the issuer for the last 3 (three) years of activity shall be presented (where the issuer has been operating for less than 3 (three) years, the analysis of the financial condition shall cover the entire period of activity). The analysis of the financial condition shall include an analysis of the main financial indicators/ratios and any significant changes therein.
- 21.** In the section “Person making a public offer” or “Person requesting to be admitted to trade”, in addition to the information specified in paragraph 15 of this Regulation, the information specified in paragraph 20 of this Regulation shall also be included.
- 22.** In the section “Crypto-asset and crypto-asset project”, in addition to the information specified in paragraph 16 of this Regulation, the following information shall also be included:
- 1) the main characteristics of the goods or services that may be purchased or used through the consumer token, where the public offering or request to be admitted to trade on a trading platform concerns a consumer token,
 - 2) information on the quantity and quality of the goods or services that may be purchased or used through the consumer token,

- 3) the procedure for purchasing or using goods or services through the consumer token.

23. In the section “Public offering of the crypto-asset” or “Request to be admitted to trade the crypto-asset on a trading platform”, in addition to the information specified in paragraph 17 of this Regulation, the following information shall also be included:

- 1) the purpose of the public offer or the request to be admitted to trade on a trading platform,
- 2) the planned volume of funds to be raised through the public offer,
- 3) the total volume of the issue, including the volume already issued and the planned volume; where the volume of the issue has not yet been determined, the method or conditions for determining that volume shall be described.

CHAPTER 6

Information Included in the Offer Document of an Asset-Referenced Token

24. The offer document of a crypto-asset that is an asset-referenced token shall, in addition to the information specified in Chapter 4 of this Regulation, include the information specified in this Chapter. The requirements set out in this Chapter shall not apply to electronic money tokens.

25. In the section “Issuer of the crypto-asset”, in addition to the information specified in paragraph 14 of this Regulation, the following information shall be included:

- 1) information on the issuer’s license, and
- 2) a clear indication of whether the issuer also issues other crypto-assets or carries out other crypto-asset-related activities.

26. In the section “Crypto-asset and crypto-asset project”, in addition to the information specified in paragraph 16 of this Regulation, the following information shall also be included:

- 1) a description of the rights and obligations arising from the crypto-asset, including:
 - a) the right of redemption and the rights of the token holder defined in Article 64(2) of the Law,
 - b) the applicability of those rights in the event of the issuer’s bankruptcy,

- 2) a detailed description of the right of claim of the person acquiring the asset-referenced token, including:
 - a) a detailed description of each underlying asset and the share of those assets relative to the total assets,
 - b) the procedure for calculating the amount of the claim,
- 3) where applicable, measures implemented to ensure the liquidity of the token, including the names of the entities responsible for ensuring liquidity,
- 4) the methods for submitting customer complaints and claims, as well as a description of the procedures for receiving, reviewing and deciding on complaints and claims,
- 5) the rights of token holders in the event of the application of the recovery plan in accordance with Article 66 of the Law,
- 6) the rights of token holders in the event of the application of the redemption plan, including the right of the holder to choose the redemption method, transfer method or redemption currency.

27. In the section “Public offering of the crypto-asset” or “Request to be admitted to trade on a trading platform”, in addition to the information specified in paragraph 17 of this Regulation, the following information shall also be included:

- 1) the planned volume of funds to be raised through the public offering,
- 2) the total volume of the issue, including the volume already issued and the planned volume; where the volume of the issue has not yet been determined, the method or conditions for determining that volume shall be described.

28. The section “Reserve Assets” shall include at least the following information:

- 1) a detailed description of the mechanisms implemented to maintain the stability of the value of the reserve assets in relation to the value of the issued tokens, including legal and technical mechanisms,
- 2) detailed information on the reserve assets and their structure,
- 3) a description of the mechanisms for issuing and redeeming the tokens,
- 4) a description of the mechanisms for the safekeeping and management of reserve assets, as well as the policies and procedures governing their management and investment, including the separate accounting of reserve assets,
- 5) the names of the persons responsible for the safekeeping of reserve assets,
- 6) where functions relating to the management or investment of reserve assets are [to be] delegated, the names of the delegated persons.

CHAPTER 7

Information Included in the Offer Document for a Crypto-Asset That is an Electronic Money Token

29. The offer document for a crypto-asset that is an electronic money token shall, in addition to the information specified in Chapter 4 of this Regulation, include the information specified in this Chapter.

30. In the section “Issuer of the crypto-asset”, in addition to the information specified in paragraph 14 of this Regulation, the issuer’s license details shall also be provided.

31. In the section “Crypto-asset and crypto-asset project”, in addition to the information specified in paragraph 16 of this Regulation, the following shall also be included:

- 1) a description of the rights and obligations arising from the crypto-asset, including the holder’s right to redeem the electronic money token in funds equivalent to its nominal value,
- 2) the rights of token holders in the event of the implementation of the redemption plan,
- 3) the methods for submitting customer complaints and claims, as well as a description of the procedure for receiving, reviewing and deciding on complaints and claims.

CHAPTER 8

Form and Content of the Offer Document of a Foreign Issuer for a Crypto-Asset

32. The offer document prepared for the purpose of making a public offer or a request to be admitted to a trade on a trading platform in the territory of the Republic of Armenia for a crypto-asset issued by a foreign issuer, for which an offer document has already been published, shall at least include:

- 1) a link to the offer document published by the crypto-asset issuer. Where the offer document is to be updated by the issuer, the offer document published in accordance with this Chapter shall include a link to the updated offer document,
- 2) general information about the crypto-asset issuer, including its name and location,
- 3) a prominently displayed statement with the following wording:
“THE OFFER DOCUMENT HAS NOT BEEN APPROVED BY THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA. THE CENTRAL BANK DOES NOT GUARANTEE

THE ACCURACY OR AUTHENTICITY OF THE INFORMATION INCLUDED IN THE OFFER DOCUMENT AND DOES NOT GUARANTEE THE SECURITY OF INVESTMENTS IN CRYPTO-ASSETS.”,

- 4) where a crypto-asset issued by a foreign issuer is considered an asset-referenced token under the legislation of the country of issuance, the offer document shall include, in a prominently displayed statement, the following wording:

“THIS CRYPTO-ASSET IS NOT CONSIDERED AN ASSET-REFERENCED TOKEN UNDER THE LEGISLATION OF THE REPUBLIC OF ARMENIA. THE LEGISLATION OF THE REPUBLIC OF ARMENIA DOES NOT PROVIDE ANY GUARANTEES FOR MAINTAINING THE STABILITY OF THE CRYPTO-ASSET’S PRICE, AND THE RIGHTS ATTACHED TO THE CRYPTO-ASSET, AS DEFINED BY THE ISSUER, INCLUDING RIGHTS RELATING TO THE REDEMPTION OF THE CRYPTO-ASSET OR TO RESERVE ASSETS, ARE NOT PROTECTED UNDER THE LEGISLATION OF THE REPUBLIC OF ARMENIA. THE EXISTENCE OR EFFECTIVENESS OF ANY MECHANISMS IMPLEMENTED BY THE ISSUER TO PROTECT OR STABILIZE THE VALUE OF THE CRYPTO-ASSET, INCLUDING THE CREATION AND MANAGEMENT OF RESERVE ASSETS, ARE NOT REGULATED OR SUPERVISED IN ANY WAY BY THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA.”