

## LAW OF THE REPUBLIC OF ARMENIA ON PRECIOUS METALS

Adopted on 23 May 2006

### CHAPTER 1 GENERAL PROVISIONS

#### **Article 1. Subject matter of the law**

This Law regulates the legal grounds and state regulation principles of circulation of precious metals and articles of precious metals, as well as powers of public administration and other bodies in the sphere of circulation of precious metals and articles of precious metals.

#### **Article 2. Main concepts**

The concepts referred to in this Law are used in the following meaning:

- (a) "*precious metals*" means gold, silver, platinum and platinum group metals (palladium, iridium, rhodium, ruthenium and osmium) not deemed to be articles of precious metals, in any form and state (nugget, refined, bullion, ores, alloy, preparations, semi-product, chemical compound, coin, scrap, waste, and others);
- (b) "*precious stones*" means natural, uncut and cut – diamond, emerald, sapphire, ruby, alexandrite and natural pearl;
- (c) "*article of precious metals*" means final products of precious metals or alloys of precious and non ferrous metals prepared for an intended purpose and use, on which other components from non precious metals may also be found;
- (d) "*manufacturing of articles of precious metals*" means manufacturing process of articles of precious metals;
- (e) "*refining (affinage) of precious metals*" means metallurgical process of extraction and purification of precious metals from other compounds and accompanying elements;
- (f) "*refined precious metals*" means bullions, grains, powder of precious metals of any size, which are manufactured in refineries in compliance with the standards of the Republic of Armenia or the international standards, with a minimum parent precious metal content of 99,5 weight per cent;
- (g) "*retail trade in precious metals and articles of precious metals*" means trade by the seller in precious metals and articles of precious metals intended for personal, family, domestic or other use, in accordance with the rules for public offer contract;
- (h) "*bank gold*" means gold as defined by the Law of the Republic of Armenia on Currency Regulation and Currency Control;

- (i) *“standardised bullion”* means bullion of any size prepared of a precious metal corresponding to finenesses provided for by this Law, which has been manufactured in a refinery;
- (j) *“fineness”* means a standard indicating the weight of a precious metal in an alloy, expressed in parts per thousand;
- (k) *“assaying”* means determination of the content of precious metals in substances and articles, using various methods;
- (l) *“hallmark”* means a mark certifying the content of the precious metal in an article of precious metals, expressed in parts per thousand (fineness);
- (m) *“hallmarking”* means technological activity of marking the relevant fineness on the metal surface of an article of precious metals;
- (n) *“assay office mark”* means a mark indicating the entity assaying and/or hallmarking the articles of precious metals;
- (o) *“responsibility mark”* means a mark verifying the manufacturer of an article of precious metal;
- (p) *“troy ounce”* means unit of mass of precious metals which is equal to 31,1034807 grams;
- (q) *“refinery”* means an undertaking holding a licence in accordance with the law for refining precious metals and manufacturing bank gold and standardised bullions;
- (r) *“precious metals dealers”* means individual entrepreneurs and legal persons conducting specialised trade in precious metals and articles of precious metals, including persons conducting retail trade in precious metals and articles of precious metals.

**(Article 2 supplemented by HO-93-N of 26 May 2008)**

### **Article 3. Legislation regulating circulation of precious metals and articles of precious metals, as well as the relations arising in the course of circulation thereof**

Circulation of precious metals and articles of precious metals, as well as the relations arising in the course of circulation thereof are regulated by the Civil Code of the Republic of Armenia, this Law, the Law of the Republic of Armenia on Licensing, and other legal acts.

Where international treaties of the Republic of Armenia (hereinafter referred to as “the international treaties”) prescribe rules other than those prescribed by this Law, the rules of the international treaties shall apply.

### **Article 4. Control over assaying and hallmarking of articles of precious metals, specialised, including retail trade in precious metals and articles of precious metals, refining of precious metals, manufacturing of bank gold and standardised bullions**

1. Licensing of assaying and hallmarking of articles of precious metals, refining of precious metals, manufacturing of bank gold and standardised bullions and control over

the observance of the requirements and conditions of operation, as well as control over specialised, including retail trade in precious metals and articles of precious metals shall be exercised by the body authorised by the Government of the Republic of Armenia (hereinafter referred to as “the authorised body”) within the powers vested in it by the laws of the Republic of Armenia (hereinafter referred to as “by the laws”). Supervision over the operations performed with bank gold and standardised bullions by the banks of the Republic of Armenia shall be exercised by the Central Bank of the Republic of Armenia within the powers vested in it by the laws.

2. Control mentioned in part 1 of this Article shall be exercised:

(a) over the observance of the requirements and conditions prescribed by the laws by entities holding a licence, in accordance with the law, for assaying and hallmarking articles of precious metals;

(b) over the observance of the requirements and conditions, prescribed by the laws, by refineries holding a licence for refining precious metals, manufacturing bank gold and standardised bullions;

(c) over the observance of the requirements prescribed by Article 8 of this Law by entities engaged, in accordance with the law, in retail trade in precious metals and articles of precious metals, including by precious metals dealers.

3. Checks of activities of assaying and hallmarking articles of precious metals, of specialised, including retail trade in precious metals and articles of precious metals, of refining precious metals, manufacturing bank gold and standardised bullions shall be conducted in the manner prescribed by the law.

*(Title amended by HO-93-N of 26 May 2008)*

*(Article 4 amended and supplemented by HO-93-N of 26 May 2008)*

## CHAPTER 2

### **REFINING OF PRECIOUS METALS, MANUFACTURING OF BANK GOLD AND STANDARDISED BULLIONS**

#### **Article 5. Refining of precious metals, manufacturing of bank gold and standardised bullions**

1. Activities of refining precious metals, manufacturing bank gold and standardised bullions in the Republic of Armenia may, subject to the requirements prescribed by the Government of the Republic of Armenia (hereinafter referred to as “the Government”), be performed solely by refineries holding a licence, in accordance with the law, for refining precious metals, manufacturing bank gold and standardised bullions. These requirements shall define technical safety and environmental requirements for the conduct of activities.

2. Bank gold manufactured by refineries shall comply with Article 2(h) of this Law, or with the international standards.

3. Precious metal standardised bullions manufactured by refineries shall comply with the following requirements:

(a) the name of the manufacturing undertaking (the responsibility mark), the weight of bullions expressed in grams, kilograms or troy ounces, as well as the Latin symbol of the metal and the fineness shall be marked on the surface of bullions;

(b) the serial number of bullions of one or more kilograms shall be marked on the surface thereof;

(c) bullions shall not have pores, holes.

4. Employees of refineries who are engaged in the refining process (affinage) shall have a relevant qualification.

#### **Article 6. Assaying and hallmarking; as well as requirements pertaining to the arrangement of such activities**

1. The right to conduct assaying and hallmarking of articles of precious metals, as well as associated actions in the Republic of Armenia shall be vested in individual entrepreneurs and legal persons having obtained a licence, in accordance with the law, for assaying and hallmarking.

Actions associated with assaying and hallmarking of articles of precious metals shall, *inter alia*, include:

(a) preparation of reagents;

(b) reference decompositions;

(c) chemical decompositions.

2. Articles of precious metals with fineness lower than the finenesses established for precious metals by this Law shall be hallmarked with the lower fineness closest to the fineness concerned.

3. Articles of precious metals with fineness lower than the minimum fineness established for precious metals by this Law shall not be subject to hallmarking and may not be realised as articles of precious metals.

4. Hallmarking of articles of non precious metals and plated with precious metals shall be prohibited.

5. Articles of precious metal alloys, which are plated with other precious metals, shall be hallmarked with the fineness of the parent metal of the article.

6. Retail trade in articles of precious metals with illegible hallmark, assay office mark or responsibility mark shall be prohibited.

7. The following shall not be subject to mandatory hallmarking:

(a) articles of precious metals of historical or archaeological value, as well as coins, honours and medals;

(b) tools, equipment and laboratory glassware made of precious metals for scientific, medical, production and other special purposes;

(c) inlays with precious metals on weapons, household items, as well as devotional items used by clergymen and other such articles;

(d) articles of precious metals weighing up to 1,5 grams, and those made of silver - weighing up to 3 grams;

- (e) thinly woven articles of precious metals which are impossible to mark;
  - (f) preparations subject to further processing and all those unfinished articles which will further be supplemented by parts of precious metals and/or other parts, as well as leaves of precious metals, castings, waste and scrap.
8. Forms, sizes, description of hallmarks, assay office marks and responsibility marks, as well as the manner of the preparation, registration and disposal thereof shall be approved by the Government.
9. Persons carrying out assaying and hallmarking activities shall be obliged to:
- (a) observe the relevant technical requirements and operational conditions defined by the Government;
  - (b) have an assay office mark registered with the authorised body in the manner defined by the Government.
10. Employees of persons engaged in assaying and hallmarking shall have a relevant qualification.

#### **Article 7. Qualification of refiner, assay master and hallmarker of precious metals**

1. Qualification of refiners, assay masters and hallmarkers of precious metals shall be carried out by qualification commissions established either by the authorised body or by a non-commercial organisation which has been created with the membership of legal or natural persons manufacturing articles of precious metals and has been operating for at least two years (hereinafter referred to as “specialised institution”); the commissions shall be comprised of at least seven members, and at least 50 percent of the members shall be representatives of the licensing authority.

Relations associated with the qualification of refiners, assay masters and hallmarkers of precious metals, as well as with the formation of the qualification commission and its activities shall be subject to the rules prescribed by the Law of the Republic of Armenia on Licensing.

2. Qualification of refiners, assay masters and hallmarkers of precious metals is a procedure for testing the professional knowledge of a natural person who has applied to the qualification commissions to qualify for a refiner and/or assay master and hallmarker of precious metals, meeting the requirements of this Law, and for issuing qualification certificates (hereinafter referred to as “the certificate”) of refiner or assay master and hallmarker of precious metals based on the results of such testing.

Qualification of refiners, assay masters and hallmarkers of precious metals shall be conducted through qualification examinations arranged and held by relevant qualification commissions, within the framework of the requirements of laws and other regulatory legal acts.

Certificates shall be issued by the relevant qualification commission.

3. The formation procedure and the statute of the qualification commission for refiners, assay masters and hallmarkers of precious metals shall be approved by the licensing authority, whereas the qualification procedures and the programme for qualification examinations of refiners, assay masters and hallmarkers of precious metals shall be approved by the Government upon submission by the licensing authority.

The qualification procedure shall establish the time-limits for testing of qualifications, the list of documents required for participating in the testing, time-limits for the submission thereof, number of questions or problems prepared for the testing, the evaluation procedure, the format and duration of testing, the procedure for using technical means, the number of points necessary to obtain a qualification certificate, the procedure for appealing the testing results, as well as other provisions aimed at proper conduct of qualification. Questions for qualification examinations shall be prepared by the licensing authority upon preliminary discussion with a specialised institution (in case such an institution exists).

4. The specialised institution shall, for the purpose of recovering the costs of arranging and holding qualification examinations, levy a charge which may not exceed ten-fold the minimum salary defined in the Republic of Armenia. Where qualification of refiners, assay masters and hallmarkers is held by the authorised body, a state duty shall be charged in the amount prescribed by law.

Nationals of the Republic of Armenia, foreign nationals and stateless persons may participate in qualification examinations.

5. An applicant declared by a court judgment as having no or limited active legal capacity shall not be allowed to participate in qualification examinations.

#### **Article 8. Retail trade in precious metals and articles of precious metals**

1. Specialised, including retail trade in precious metals and articles of precious metals may, where appropriate, be regulated by the rules approved by the Government.

2. Specialised, including retail trade in precious metals and articles of precious metals may be conducted solely in case these articles bear, in the manner prescribed by law, a hallmark and assay office mark, with the exception of articles mentioned in Article 6(7)(a), (b), (c), (d) and (e) of this Law.

3. Where the hallmark and the assay office mark on articles of precious metals subject to mandatory assaying and hallmarking under this Law do not comply with the requirements provided for by this Law, the retailer shall bear the obligation of assaying and hallmarking the articles at his or her expense.

4. Articles of precious metals subject to retail trade shall, in a mandatory manner, bear the fineness and weight of the precious metal, and where the articles bear precious stones – a label containing information on weight and quality characteristics of the stones.

5. The procedure for retail trade in precious metal scraps and precious metal preparations with respect to assaying and/or hallmarking shall be defined by the Government.

6. The retailer shall bear the obligation of fulfilling the conditions relating to retail trade, as defined by this Law.

***(Title amended by HO-93-N of 26 May 2008)***

***(Article 8 amended by HO-93-N of 26 May 2008)***

## **Article 9. Import and export of articles of precious metals, precious metal scraps and preparations**

1. When imported under “import for free circulation” regime defined by the Customs Code of the Republic of Armenia, articles of precious metals shall, except for cases referred to in part 2 of this Article, be subject to assaying and hallmarking, in the manner prescribed by this Law, by persons holding a licence for assaying and hallmarking. When importing under the mentioned regime, the responsibility for assaying and hallmarking the articles of precious metals shall lie with the importer. When importing, the importer shall select the persons holding a licence for assaying and hallmarking articles of precious metals.

2. Articles of precious metals may be imported under “import for free circulation” regime defined by the Customs Code of the Republic of Armenia without the hallmark struck under this Law by persons holding a licence for assaying and hallmarking, where:

(a) the articles bear finenesses of a manufacturing country, which comply with the finenesses defined by this Law and with the requirements applicable thereto. In this case, the importer shall submit the articles of precious metals (consignment), under customs control, to persons holding a licence for assaying and hallmarking for the purpose of assaying. These persons shall, upon assaying the submitted articles (consignment), strike their assay office mark on them and issue a relevant statement to that effect;

(b) the articles are listed in Article 6(7) of this Law;

(c) the articles are imported by natural persons and do not exceed the minimum limit of obviously commercial quantity defined by the Government based on the Customs Code of the Republic of Armenia.

3. The existence of fineness shall not be mandatory at the time of importing articles of precious metals under other regimes provided for by the Customs Code of the Republic of Armenia.

4. While importing precious metal scraps and precious metal preparations, the statement certifying the quantity, kind, fineness and weight of the articles - issued by persons holding a licence for assaying and hallmarking - shall serve as a basis.

5. When exporting articles of precious metals, existence of a hallmark and assay office mark on the articles shall not be mandatory.

## **CHAPTER 3**

### ***LICENSING OF ASSAYING AND HALLMARKING OF ARTICLES OF PRECIOUS METALS, REFINING OF PRECIOUS METALS, MANUFACTURING OF BANK GOLD AND STANDARDISED BULLIONS***

## **Article 10. Licensing of refining of precious metals, manufacturing of bank gold and standardised bullions**

1. Licensing of refining of precious metals, manufacturing of bank gold and standardised bullions shall be carried out by the authorised body in accordance with the Law of the Republic of Armenia on Licensing, this Law and the procedure prescribed by the Government.

2. Control over licensing of refining of precious metals, manufacturing of bank gold and standardised bullions shall be exercised by the authorised body through desk audit and on-site inspections. Based on the findings thereof, it shall apply sanctions provided for by this Law and the Law of the Republic of Armenia on Licensing.

3. Checks of the operation of refineries shall be performed in the manner prescribed by law.

4. The licensing authority shall, within a period of 15 days after issuing a licence for refining precious metals, manufacturing bank gold and standardised bullions, inform the customs authorities of the Republic of Armenia thereon.

5. Persons performing activities of refining precious metals, manufacturing bank gold and standardised bullions shall be obliged to carry out their activities solely in the place mentioned in the licence and submit to the authorised body information (reports) on their activities, in accordance with the timeframes, procedure and standards prescribed by the Government.

6. Licensing of refining of precious metals, manufacturing of bank gold and standardised bullions shall be carried out in case of a positive opinion of expert examination of equipment.

Expert examination of equipment shall be performed by the public finance management authority in the procedure defined by the Government.

#### **Article 11. Licensing of assaying and hallmarking of articles of precious metals**

1. Licensing of assaying and hallmarking of articles of precious metals shall be carried out by the authorised body in accordance with the Law of the Republic of Armenia on Licensing, this Law and the procedure prescribed by the Government.

2. Checks and control over assaying and hallmarking of and retail trade in articles of precious metals shall be performed by the authorised body through desk audit and on-site inspections. Based on the findings thereof, it shall apply sanctions provided for by this Law and the Law of the Republic of Armenia on Licensing.

3. The authorised body shall, within a period of 15 days after issuing a licence for assaying and hallmarking articles of precious metals, inform the customs authorities of the Republic of Armenia thereon, by providing the latter with reprints of the assay office marks of persons having obtained a licence for assaying and hallmarking articles of precious metals.

4. Persons conducting assaying and hallmarking of articles of precious metals shall be obliged to carry out their activities solely in the place mentioned in the licence and submit to the authorised body information (reports) on their activities, in accordance with the timeframe, procedure and standards prescribed by the Government.



## CHAPTER 4

### **SANCTIONS APPLICABLE FOR INFRINGEMENT OF THIS LAW**

#### **Article 12. Sanctions applicable to infringement of this Law**

In case of infringement of this Law, the authorised body shall apply the following sanctions:

- (a) fine;
- (b) suspension of the licence;
- (c) termination of the licence.

#### **Article 13. Fine**

1. Fines shall be applied and charged by the authorised body. Where the fined person does not agree with the decision of the authorised body on applying the fine, the authorised body shall bring an action to court on charging the fine.

2. Fine as a sanction shall be applied in the amount of AMD 200 000 if any of the requirements prescribed by Article 5(2) and (3), as well as Article 6(2), (5) and (6) of this Law has been infringed.

3. Fine as a sanction shall be applied in the amount of AMD 50 000 if any of the requirements prescribed by Article 8(2), (3) or (4) of this Law has been infringed.

4. Where within one year after applying a fine, pursuant to part 2 of this Article, the infringement serving as a ground for applying a fine continues or in case of committing a new such infringement, the size of the fine shall be increased by AMD 600 000 for each case of infringement.

5. Where within one year after applying a fine, pursuant to part 3 of this Article, the infringement serving as a ground for applying a fine continues or in case of committing a new such infringement, the size of the fine shall be increased by AMD 300 000 for each case of infringement.

#### **Article 14. Suspension of a licence**

1. The authorised body shall suspend a licence:

- (a) where any of the requirements prescribed by Article 5(4) and Article 6(3), (4), (9) and (10) of this Law has been infringed;
- (b) where the requirement prescribed by Article 9(2)(a) of this Law has been infringed;
- (c) in other cases prescribed by law.

2. Licence shall be suspended until the elimination of infringement serving a basis for suspension.

3. During the period of suspension of the licence, the licensee may not carry out the relevant activities. Where a licensee carries out, during the licence suspension period, an activity subject to licensing provided for by this Law, except for actions aimed at elimination of the reasons for suspension of the licence, as well as implementation of

immediate measures envisaged by the suspension decision, it shall be deemed as engagement, without a licence, in an activity subject to licensing and shall give rise to liability in the manner prescribed by law.

#### **Article 15. Termination of a licence**

Termination of a licence shall be exercised based on the grounds and in the manner defined by the Law of the Republic of Armenia on Licensing.

### **CHAPTER 5**

#### ***FINENESSES ESTABLISHED WITHIN THE TERRITORY OF THE REPUBLIC OF ARMENIA***

#### **Article 16. Finenesses established within the territory of the Republic of Armenia**

1. The finenesses - by metric system - referred to in the Annex are established for manufacturing and circulation of articles of precious metals within the territory of the Republic of Armenia.

2. The maximum permitted plus or minus tolerance of actual finenesses of precious metals from those mentioned in the Annex, including the fineness of brazing substance, shall be:

(a) for gold of all finenesses – up to +/- 3 units (negative tolerance shall not be permitted for articles of gold with a fineness of 585);

(b) for silver of all finenesses - up to +/- 5 units;

(c) for platinum and palladium of all finenesses - up to +/- 10 units;

(d) tolerance up to +/- 20 units shall be permitted in miniature thinly woven (filigree) silver articles with numerous soldering.

3. Manufacturing of articles of precious metals with finenesses not effective in the Republic of Armenia shall be permitted if the articles are intended for export or for non-retail trade and the contract (other document) entered into by the client/manufacturer (or supplier) parties contains such a provision.

### **CHAPTER 6**

#### ***THE STATE TREASURY OF PRECIOUS METALS AND PRECIOUS STONES OF THE REPUBLIC OF ARMENIA***

#### **Article 17. The State Treasury of Precious Metals and Precious Stones of the Republic of Armenia**

1. The State Treasury of Precious Metals and Precious Stones of the Republic of Armenia shall be an agency constituting a separate subdivision of the public finance management authority (hereinafter referred to as “the Treasury”).

2. Main tasks of the Treasury shall be:

(a) registration and administration of precious metals, precious stones, as well as articles of precious metals and of precious stones recorded on the balance sheet of state bodies, state institutions, state non-commercial organisations and legal persons with 100 percent state participation;

(b) ensuring registration and maintenance of precious metals, precious stones, as well as articles of precious metals and of precious stones available at the Treasury;

(c) purchase and sale, for state needs, of precious metals, precious stones, as well as articles of precious metals and of precious stones, in accordance with the law and other legal acts.

3. Under this Law, the Treasury shall be authorised to implement the following main functions:

(a) shall register and administer precious metals, precious stones, as well as articles of precious metals and of precious stones owned by the State, except for assets on the balance sheet of the Central Bank of the Republic of Armenia;

(b) shall enforce Government decisions on forming and replenishing the state reserves of precious metals and precious stones, enter - with undertakings extracting precious metals and precious stones, as well as manufacturing articles of precious metals and of precious stones - into contracts on supplies of precious metals, precious stones, as well as articles of precious metals and of precious stones for the purpose of replenishing the state reserves; shall ensure the payments for them, entry and maintenance of obtained assets and recording thereof on its balance sheet, as well as entry into the state reserves of assets which, in accordance with the legislation of the Republic of Armenia, have been confiscated, declared as ownerless, transferred to the State by the right of inheritance and on other grounds.

4. The procedure for replenishing, maintaining, using, drawing from, registering as well as determining the place of distribution and location of state reserves of precious metals and precious stones of the Republic of Armenia and of its integral part – the National Reserve of Precious Metals and Precious Stones - shall be approved by the Government.

5. Checks of the status of state reserves of precious metals and precious stones of the Republic of Armenia shall be performed by the authorised body.

**Article 18. Alienation of precious metals, precious stones, as well as articles of precious metals and of precious stones owned by the Republic of Armenia and registered with the Treasury**

1. Gifts made of precious metals and of precious stones received *ex officio* by officials shall be recorded on the balance sheet of the organisation concerned and shall be reflected in the results of each inventory and may be handed over exclusively to the Treasury.

2. Gifts made of precious metals and precious stones with a value of 200-fold to 3000-fold of the minimum salary established by law shall be presented *ex officio* by state bodies and officials, from the Treasury, to other persons upon coordination with the public finance management authority, and in case of exceeding the value of 3000-fold – in accordance with the procedure prescribed by the Government.

3. Alienation of precious metals, precious stones, as well as articles of precious metals and of precious stones registered with state bodies, as well as recorded on the balance sheets of state institutions and organisations shall be agreed with the public finance management authority. Registration and alienation procedure of the mentioned articles shall be defined by the public finance management authority.

4. In case of liquidation of undertakings with state participation, precious metals, precious stones, as well as articles of precious metals and of precious stones constituting part of property falling to the share of the State from the residual property shall be handed over to the Treasury.

5. Precious metals, precious stones, as well as articles of precious metals and of precious stones enlisted in the assets of legal persons subject to privatisation in the manner prescribed by the legislation of the Republic of Armenia, may, in the course of preparatory activities of privatisation of the legal persons, be separated from the balance sheet of the company and transferred to the Treasury upon the decision of the Government.

#### **Article 19. The State Reserve of Precious Metals and Precious Stones of the Republic of Armenia**

1. The State Reserve of Precious Metals and Precious Stones of the Republic of Armenia (hereinafter referred to as “the State Reserve”) shall be a stock of state-owned precious metals and precious stones, as well as of articles of precious metals and of precious stones, which is designed to meet the production, financial, scientific, cultural, investment and other needs of the Republic of Armenia. Except for cases provided for by law, the assets of the State Reserve shall be subject to mandatory registration by the Treasury.

2. The State Reserve may be replenished:

(a) on the account of the state budget funds – with precious metals and precious stones, as well as articles of precious metals and of precious stones acquired from domestic and foreign markets;

(b) with precious metals and precious stones, as well as articles of precious metals and of precious stones confiscated, declared ownerless to the benefit of the State, or transferred to the State by the right of inheritance or by way of a gift in accordance with the law;

(c) with rare nuggets and treasures of precious metals and of precious stones;

(d) with gifts of precious metals and of precious stones received *ex officio* by public officials;

(e) with precious metals and precious stones, as well as articles of precious metals and of precious stones transferred to the ownership of the State on other grounds.

3. The Treasury shall, through the public finance management authority, submit a report to the Government on replenishing and drawing from the State Reserve during the fiscal year concerned.

## **Article 20. The National Reserve of Precious Metals and Precious Stones of the Republic of Armenia**

1. The National Reserve of Precious Metals and Precious Stones of the Republic of Armenia (hereinafter referred to as “the National Reserve”) shall be an integral part of the State Reserve and a collection of rare nuggets of precious metals and of precious stones, as well as rare goldsmith articles and other household items and objects of religious veneration made of precious metals and of precious stones and possessing historical and cultural, rarity, scientific and aesthetic value.

2. The assets of the National Reserve shall be inviolable and inseparable, shall be owned by the Republic of Armenia and shall not be subject to alienation (including investment in the charter capital of commercial companies with state participation) or lease. The assets of the National Reserve may be attached to state institutions and non-commercial organisations with the right of use for their intended purpose. The assets of the National Reserve may be used for exhibition or scientific research purposes within the territory of the Republic of Armenia or, upon an authorisation by the Government, outside its territory.

3. Enlistment of assets in the National Reserve shall be carried out upon the decisions of the Government and based on expert opinions of the Treasury, and the procedure for its conduct shall be defined by the Government upon submission by the public finance management authority. The Treasury shall carry out preliminary expert examination, registration, maintenance, restoration of assets subject to enlistment in the National Reserve, and, upon the assignment of the Government, the exhibition thereof.

Precious metals, as well as articles of precious metals and of precious stones available at state and community museums and cultural organisations as well as in archives shall also be subject to registration with the National Reserve.

## **Article 21. Gold Reserve of the Republic of Armenia**

Gold reserve of the Republic of Armenia (hereinafter referred to as “the Gold Reserve”) shall constitute a part of the gold and monetary reserve of the Republic of Armenia and shall be comprised of standardised bullions and bank gold and shall be owned by the State. The Gold Reserve shall be envisaged for fulfilment of the international commitments of the Republic of Armenia and shall be on the balance sheet of the Central Bank of the Republic of Armenia, and the possession, use and disposal thereof shall be performed by the Central Bank of the Republic of Armenia pursuant to the Law of the Republic of Armenia on the Central Bank of the Republic of Armenia. The Gold Reserve shall be envisaged for conducting public finance policy and for meeting urgent state needs in emergencies. The Gold Reserve shall be formed through purchase of bank and standardised bullions of gold and, in specific cases, also those of other precious metals from resident and non resident legal and natural persons. The Gold Reserve shall be kept in metal accounts opened in the Republic of Armenia as well as those in central and commercial banks of other countries.

## **Article 22. Preference right of the State to purchase precious metals and precious stones**

1. Rare nuggets of precious metals and of precious stones extracted from the entrails of the Republic of Armenia may be sold subject to the preference right of the following bodies:

(a) the public finance management authority of the Republic of Armenia - for replenishment of the State Reserve;

(b) the Central Bank of the Republic of Armenia - for replenishment of the Gold Reserve.

Where the aforementioned authorities waive the preference right to purchase, the owners of rare nuggets of precious metals and of precious stones may sell those assets to other entities at a price not less than that offered to entities, referred to in this part, enjoying the preference right to purchase.

2. The Government shall define the standards for considering nuggets of precious metals and of precious stones as rare, as well as the conditions of and the procedure for their evaluation and payment.

3. Where, in accordance with part 1 of this Article, rare nuggets of precious metals and of precious stones have been offered to the Treasury and the Central Bank of the Republic of Armenia, and they have waived the preference right to purchase the assets at the offered prices, the mentioned bodies shall, within seven days following the request of the entity selling the assets, be obliged to issue a statement on waiving the preference right to purchase the offered assets.

## **CHAPTER 7**

### ***TRANSITIONAL PROVISION***

## **Article 23. Entry into force of this Law**

This Law shall enter into force six months after the date of its official publication.

**President  
of the Republic of Armenia**

**R. Kocharyan**

19 June 2006

Yerevan

HO-83-N

**Annex**  
**to the Law of the Republic of Armenia**  
**on Precious Metals**

**FINENESSES ESTABLISHED WITHIN THE TERRITORY OF THE REPUBLIC OF ARMENIA**

<b>Gold</b>	<b>Silver</b>	<b>Platinum</b>	<b>Palladium</b>
375	800	900	500
416	830	950	850
500	875		
583	925		
585	960		
750	999		
916			
958			
999			