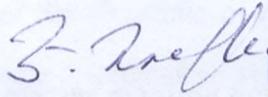


OFFICIAL TRANSLATION

HO-242-N/08.12.2005/EN/H/12.09.2023

"TRANSLATION CENTRE OF THE MINISTRY OF JUSTICE  
OF THE REPUBLIC OF ARMENIA"  
STATE NON-COMMERCIAL ORGANISATION

EMILIA ADUMYAN



DIRECTOR

12 SEPTEMBER 2023



LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 8 December 2005

**ON INTRODUCING UNIFORM SYSTEM  
OF FINANCIAL REGULATION AND SUPERVISION**

The purpose of this Law is to increase stability of the financial system of the Republic of Armenia and enhance trust therein, to ensure necessary conditions for unhampered development of participants of the financial system.

**Article 1. Subject matter of the Law**

This Law shall regulate the measures to be implemented for introducing uniform system of financial regulation and supervision in the Republic of Armenia, including

the measures pertaining to transfer to the Central Bank of the Republic of Armenia the functions of regulating and supervising other participants of the financial system of the Republic of Armenia, the relations stemming from implementation of such measures, the powers of the body regulating and supervising the financial system.

## **Article 2. Legislation on introducing uniform system of financial regulation and supervision**

The relations pertaining to introducing the uniform system of financial regulation and supervision in the Republic of Armenia shall be regulated by this Law, other laws of the Republic of Armenia governing activities of participants of the financial system, and in the cases provided for by the Law — also by other legal acts.

## **Article 3. Main concepts used in the Law**

1. Main concepts used in this Law shall be the following:

**participant of the financial system** — banks, credit organisations operating in the territory of the Republic of Armenia and other persons licensed by the Central Bank, as well as other participants of the financial system;

**other participants of the financial system** — securities market participants, investment companies, investment funds, cumulative pension insurance organisations, entities conducting insurance activities, pawn shops that carry out specialised activities;

**financial system** — integrity of relations involving participants of the financial system;

**specialised activities** — activities as performed by participants of the financial system in the manner and under terms prescribed by law;

**state competent body** — authorised body of the Republic of Armenia regulating and supervising the activities of entities conducting insurance activities, pawn shops based on the Law of the Republic of Armenia "On pawn shops and pawn shop activities", the Law of the Republic of Armenia "On insurance";

**secondary legislative acts** – regulatory, individual and internal legal acts related to the activities of other participants of the financial system that are adopted by the Government of the Republic of Armenia, the Securities Commission of the Republic of Armenia (hereinafter referred to as "the Securities Commission") and the state competent body.

2. The concepts defined in this Article shall be applied for the purpose of this Law and other legal acts adopted in compliance therewith, as well as for the purpose of other laws including direct reference thereto. The meaning in which such concepts are used may be applied for the purpose of other laws and legal acts, where such other laws and legal acts govern sectors related to the activities of participants of the financial system

#### **Article 4. The purposes of reforms implemented for introducing uniform system of financial regulation and supervision**

The purpose of reforms implemented for introducing the uniform system of financial regulation and supervision shall be the creation and implementation of a unified, independent and effective consolidated supervision and regulation system, ensuring sustainable and unhampered operation of the financial system, as well as protection of rights and legitimate interests of consumers of financial services.

**Article 5. Regulation of and supervision over activities of other participants of the financial system**

1. The functions of regulation of and supervision over the other participants of the financial system shall be transferred to the Central Bank of the Republic of Armenia (hereinafter referred to as "the Central Bank") in the manner and under terms prescribed by this Law and other legal acts adopted in compliance therewith.
2. The functions and powers of the Central Bank as a body regulating and supervising the financial system shall be prescribed by this Law, the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia", other laws regulating the activities, as well as specialised activities of participants of the financial system.

**Article 6. The procedure and conditions of transfer of functions of regulation and supervision over other participants of the financial system**

1. From 1 January 2006, the Securities Commission shall be liquidated, and all the powers thereof, including other powers of regulation of and supervision over the activities of self-regulatory organisations, reporting issuers, as well as regulation of the securities market shall be completely vested in the Central Bank based on legal succession. The Board of the Central Bank shall assume the powers vested in the Securities Commission by the Law of the Republic of Armenia "On regulation of securities market", whereas the Governor of the Central Bank – the powers of the Chairperson of the Securities Commission.
2. The Board and the Governor of the Central Bank shall render decisions envisaged by the Law of the Republic of Armenia "On regulation of securities market" upon the procedure established by the Law of the Republic of Armenia "On

regulation of securities market", unless other procedures established by the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia".

3. From 1 January 2006, the powers of state competent body pertaining to licensing, regulation of and supervision over the entities conducting insurance activities, pawn shops, which are completely vested in the Central Bank upon legal succession, shall be terminated.
4. Upon entry into force of this Law, the Central Bank shall assume the functions of regulation and supervision over cumulative pension insurance organisations and shall be deemed as the body regulating and supervising their activities.

**Article 7. Secondary legislative acts regulating activities of other participants of the financial system**

The secondary legislative acts governing, licensing, supervising the activities of other participants of the financial system, as well as regulating their activities, with all supplements and amendments thereof, shall remain in effect and legal force until 1 January 2007, unless the Central Bank approves the newly edited secondary legislation acts prior to that time limit, in which case the effect of those acts shall be terminated. For the purpose of ensuring the smooth functioning of participants of the financial system, the Central Bank shall be entitled to make supplements and amendments to the secondary legislation acts prior the expiry of time limit provided for by this Article.

**Article 8. Entry into force of the Law**

This Law shall enter into force from the tenth day following its official promulgation.

## **Article 9. Transitional provisions**

1. The Central Bank shall — according to the contracts concluded by the Securities Commission — be the legal successor of the rights and obligations having arisen before 1 January 2006, except for the rights and obligations having arisen from the employment legal relations. From 1 January 2006, the employment contracts concluded by the Securities Commission shall be deemed as rescinded.
2. Before 1 January 2006, the Central Bank shall make relevant structural changes for the purpose of introducing regulation and supervision system of the financial system.
3. Before 1 January 2006:
  - (a) the Securities Commission shall transfer to the Central Bank, and the Central Bank shall accept all the documents pertaining to functions of the Securities Commission, including archives, information, programmes, etc. The transfer and acceptance shall be formalised based on the transfer and acceptance protocol, which is signed by the Chairperson of the Securities Commission and the Governor of the Central Bank by 1 January 2006;
  - (b) the state competent body shall transfer to the Central Bank, and the Central Bank shall accept the documents related to the licensing, regulation of and supervision over entities conducting insurance activities, pawn shops, including archives, information, programmes, etc. The transfer and acceptance provided for in this point shall be formalised based on the transfer and acceptance protocol, which is signed by the Chief of Staff of the state competent body and the Governor of the Central Bank by 1 January 2006.

Decision on other property belonging to the Securities Commission shall be adopted by the Government of the Republic of Armenia.

The authority to provide official clarifications on issues pertaining to application of this Law, other laws applied by the Central Bank and related to the activities of other

participants of the financial system, as well as of secondary legislation acts shall be vested in the Central Bank in order to clarify the.

**President  
of the Republic of Armenia**

**R. Kocharyan**

22 December 2005

Yerevan

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issued in the Central Bank in order to clarify the

Article 3. Transfer of functions

The Central Bank shall transfer to the Securities Commission the functions of the

order 1 January 2005, the Central Bank shall transfer to the Securities Commission

the functions of the Securities Commission shall be decided

2. Before 1 January 2005, the Central Bank shall transfer to the Securities Commission

3. Before 1 January 2005

(a) the Securities Commission shall transfer to the Central Bank the functions of the

Securities Commission, including the functions of the Securities Commission

The transfer and acceptance shall be carried out by the Chairperson of the Securities Commission and the Governor of the Central Bank by 1 January 2005

(b) the state competent body shall transfer to the Central Bank and the Central Bank shall accept the documents related to the transfer, including

of and signature of the state competent body and the transfer and acceptance protocol, which is signed by the Chief of Staff of the state competent body and the Governor of the Central Bank by 1 January 2005

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