REPUBLIC OF ARMENIA
BOARD OF THE CENTRAL BANK

DECISION

No 279-N from October 7, 2014

ON REPEALING THE DECISION OF THE BOARD OF THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA NO 269-N FROM SEPTEMBER 9, 2008 AND APPROVING THE REGULATION ON MINIMUM REQUIREMENTS TO REPORTING ENTITIES IN THE FIELD OF PREVENTING MONEY LAUNDERING AND TERRORISM FINANCING

For the purpose of bringing the Regulation on Minimum Requirements in the Field of Preventing Money Laundering And Terrorism Financing into compliance with the amendments made into the revised and adopted Republic of Armenia Law on Combating Money Laundering and Terrorism Financing, as well as establishing such requirements for non-financial institutions;

By virtue of Article 20 of the Republic of Armenia Law on the Central Bank of the Republic of Armenia and of Article 11 of the of the Republic of Armenia Law on Combating Money Laundering and Terrorism Financing, and

Guided by Article 16 of the Republic of Armenia Law on Legal Statutes;

The Board of the Central Bank of the Republic of Armenia:

Resolves:

1) To repeal the decision of the Board of the Central Bank of the Republic of Armenia No 269-N from September 9, 2008 “On Approving the Minimum Requirements for Financial Institutions in the Field of Preventing Money Laundering And Terrorism Financing, and the Template Statement on the Existence (Absence) of Beneficial Owner in Transaction”.
2) To approve the Regulation on Minimum Requirements to Reporting Entities in the Field of Preventing Money Laundering, as per the Annex to this Decision.
3) This Decision shall enter into force on the tenth day after its official publication.

Nerses Yeritsyan

Vice Chairman
Central Bank of the Republic of Armenia

Annex

To the Decision of the Board of the
Central Bank of Armenia No 279-N from October 7, 2014

REGULATION

ON MINIMUM REQUIREMENTS TO REPORTING ENTITIES IN THE FIELD OF PREVENTING MONEY LAUNDERING AND TERRORISM FINANCING

CHAPTER 1: GENERAL PROVISIONS

1. Provisions of this Regulation shall apply to financial and non-financial institutions and entities specified under Sub-Clauses “a” to “t”, Clause 4, Part 1 of Article 3 of the Republic of Armenia Law on Combating Money Laundering and Terrorism Financing (hereinafter: the Law).
2. The terms used in this Regulation shall be construed in the meaning of the terms defined by the Law.
3. This Regulation shall establish the following in the field of preventing money laundering and terrorism financing:
    1) Minimum requirements with regard to the rules for performing the functions of the management bodies of the reporting entity, including the Internal Monitoring Unit;
    2) Rules for the approval and revision of internal legal statutes of the reporting entity;
    3) Criteria of and rules for determining the risk of money laundering and terrorism financing;
    4) Minimum requirements with regard to customer due diligence, including that for the existing customers;
    5) Minimum requirements with regard to the process of review (conduction of analysis) for recognizing transactions or business relationships as suspicious;
    6) Minimum requirements with regard to collecting, recording, and maintaining information (including documents);
    7) Cases and periodicity of conducting internal audit of the reporting entity, as well as rules for commissioning external audit;
    8) Minimum requirements with regard to the training of relevant staff of the reporting entity with competencies in the prevention of money laundering and terrorism financing.

CHAPTER 2: MINIMUM REQUIREMENTS WITH REGARD TO RULES FOR PERFORMING FUNCTIONS OF MANAGEMENT BODIES OF REPORTING ENTITY

4. The Board of the reporting entity shall:
    1) Define the reporting entity’s policy for the prevention of money laundering and terrorism financing;

2) Approve the annual program of the Internal Monitoring Unit and, in the case stipulated under Clause 55 of this Regulation, of the internal audit in the field of preventing money laundering and terrorism financing, the reports on implementation of these programs; control implementation of the programs;
3) Whenever necessary, assign the Internal Monitoring Unit to conduct reviews stipulated under Part 5 of Article 24 of the Law; approve the measures aimed at remedying the shortcomings revealed by the internal and external audit; and control their implementation;
4) Provide its consent for the appointment and dismissal of staff members of the Internal Monitoring Unit by the executive body;
5) Approve internal legal statues aimed at the prevention of money laundering and terrorism financing (hereinafter: the internal legal statutes);
6) Consider and approve conclusions of the internal audit, as well as reports of the Internal Monitoring Unit stipulated under Part 5 of Article 24 of the Law at the periodicity determined by itself but not later than once in six months;
7) Perform other functions as defined by the Law, this Regulation and other legal statutes adopted on the basis of the Law.

5. The Executive Body of the reporting entity shall:
   1) Ensure introduction of the policy approved by the Board for the prevention of money laundering and terrorism financing, as well as its on-going effective implementation;
   2) Ensure comprehensive and effective application of the Law, this Regulation and other legal statutes adopted on the basis of the Law; control their implementation;
   3) Appoint and dismiss staff members of the Internal Monitoring Unit with the consent of the Board;
   4) Ensure training of its respective staff in the field of preventing money laundering and terrorism financing;
   5) Arrange material and technical supply necessary for the functioning of the Internal Monitoring Unit;
   6) Ensure implementation of the measures aimed at remedying the shortcomings revealed by reviews of the Internal Monitoring Unit stipulated under Part 5 of Article 24 of the Law, and by the internal and external audit;
   7) Perform other functions as defined by the Law, this Regulation and other legal statutes adopted on the basis of the Law.
6. If management structure of the reporting entity, which is a legal entity, does not provide for a Board, the Executive Body shall perform the functions specified under Clause 4 of this Regulation. In case of a reporting entity, which is an economic partnership, the functions specified under Clauses 4 and 5 of this Regulation shall be performed by the full partners.
7. In case of a reporting entity, which is a sole practitioner, the sole practitioner shall perform the functions specified under Sub-Clauses 2 to 7 of Clauses 4 and 5 of this Regulation.

CHAPTER 3: MINIMUM REQUIREMENTS WITH REGARD TO RULES FOR PERFORMING FUNCTIONS OF INTERNAL MONITORING UNIT

8. In order to duly perform the functions defined by the Law, this Regulation and other legal statutes adopted on the basis of the Law, staff members of the Internal Monitoring Unit of financial institutions should have higher education or hold a professional qualification certificate (in the financial area) recognized in the Republic of Armenia or internationally, and should have at least 1 year of professional experience (in the financial area or in the field of combating money laundering and terrorism financing) within the period of the 10 years preceding the appointment.
9. The staff member of the Internal Monitoring Unit cannot be the a person, who:
    1) Has a previous conviction for a deliberately committed crime;
    2) Has been deprived, by the court, of the right to hold positions in financial, banking, tax and customs, commercial, economic or legal fields;
    3) Has been recognized bankrupt and has unpaid (unforgiven) liabilities;
    4) Is involved in a criminal case by Armenian or foreign law enforcement agencies as suspect, accused or defendant;
    5) Does not meet the criteria specified under Clause 8 of this Regulation.
10. The information stipulated under Clauses 8 and 9 of this Regulation shall be submitted through the Declaration on Staff Member of Internal Monitoring Unit (hereinafter: the Declaration) as per Annex 1 to this Regulation, to be submitted to the reporting entity before appointment as a staff member of the Internal Monitoring Unit. Reliability of information contained in the declaration may be verified by any means not forbidden by the law.
11. In banks, the function of the Internal Monitoring Unit cannot be vested to the division or staff immediately dealing with the customers, and to a member of the internal audit.
12. In case of vesting the function of the Internal Monitoring Unit to a division or staff member of the reporting entity performing other functions, it should be clearly articulated in the job description of such division or staff member.
13. The Internal Monitoring Unit shall assist and consult the staff with competencies in the field of preventing money laundering and terrorism financing, in relation to performing their functions aimed at the prevention of money laundering and terrorism financing.
14. The Internal Monitoring Unit may notify the Executive Body and the Board on its decision to recognize as suspicious, suspend, refuse or terminate a transaction or a business relationship, or to freeze the property of persons related to terrorism, provided that such notification is stipulated by internal legal statutes and is done only after making the decision to, respectively, recognize as suspicious, suspend, refuse or terminate a transaction or a business relationship, or to freeze the property of persons related to terrorism.
15. At a minimum, the Internal Monitoring Unit shall:
    1) Ensure submission of information on behalf of the reporting entity to the Authorized Body, as well as provide the connection of the reporting entity with the Authorized Body;
    2) Conduct analyses to identify suspicious transactions or business relationships;

3) Maintain the findings of the analyses conducted for detecting suspicious transactions or business relationships;
4) Ensure risk assessment of customers and transactions or business relationships;
5) Whenever necessary, discuss with the respective staff member having provided an internal signal as defined under Clause 45 of this Regulation the issue of recognizing as suspicious, suspending, refusing or terminating a transaction or a business relationship;
6) Perform other functions as defined by the Law, this Regulation and other legal statutes adopted on the basis of the Law.

16. The Internal Monitoring Unit may:
1) Develop internal legal statutes; submit them for the Board approval;
2) Exercise monitoring of effectiveness of internal legal statutes; make proposals on their improvement;
3) Perform other functions as assigned by the Executive Body or by the Board, insofar as it does not restrict independence of the Internal Monitoring Unit.

17. The report on the findings of the review presented to the competent body of the reporting entity, as specified under Part 5 of Article 24 of the Law shall at least comprise:
1) The number of the transactions subject to mandatory reporting, the number and the brief description of suspicious transactions and business relationships;
2) The number and the summary description of the transactions and business relationships, which were analyzed but were not recognized as suspicious;
3) The number and the brief description of the transactions and business relationships suspended, refused or terminated by the reporting entity; the value of each suspended transaction or business relationship;
4) The value of frozen property;
5) The cases of violating requirements of the Law, this Regulation and other legal statutes adopted on the basis of the Law due to the actions of staff members of the reporting entity;
6) Other information stipulated by internal legal statutes.

CHAPTER 4: RULES FOR APPROVAL AND REVISION OF INTERNAL LEGAL STATUTES

18. Within one month after registration with the Authorized Body, the reporting entity shall approve and, within the timelines established under Part 2 of Article 23 of the Law, submit to the Financial Monitoring Center of the Central Bank of Armenia the internal legal statutes specified under Part 1 of Article 23 of the Law, except for reporting entities which are not required by legislation to have internal legal statutes.

19. The reporting entity, for which the legislation establishes earlier timelines to submit the internal legal statutes, shall submit the approved internal legal statutes within such earlier timelines.

20. In case of making changes or amendments in the internal legal statutes upon the initiative of the reporting entity or by the request of the Authorized Body, the changed or amended internal legal statutes shall be approved and submitted to the Authorized Body through the procedure and within the timelines established by the Law and by this Regulation.

CHAPTER 5: CRITERIA OF AND RULES FOR DETERMINING RISK OF MONEY LAUNDERING AND TERRORISM FINANCING

21. The risk of money laundering and terrorism financing, as defined under Clause 20, Part 1 of Article 3 of the Law may assessed as medium (standard), high or low. The risk shall be assessed on the basis of the specific criterion characterizing the given risk, whereas in the presence of more than one criterion it shall be determined by combination thereof. The criteria of risk shall be defined by the Law, this Regulation and other legal statutes adopted on the basis of the Law. Internal legal statutes may define additional criteria of high risk only.
22. The risk shall be assessed as medium (standard) whenever criteria of high or low risk are absent, except for the cases stipulated under Sub-Clause 2 of Clause 24 of this Regulation.
23. The risk shall be assessed as high whenever at least one criterion of high risk is present, except for the cases stipulated under Sub-Clause 3 of Clause 24 of this Regulation.
24. The risk shall be assessed as low whenever:
    1) Only criteria of low risk are present;
    2) A medium (standard) risk criterion is present, but the transaction in question is a low risk transaction stipulated under Clause 28 of this Regulation;
    3) A high risk criterion is present, but the transaction in question is a low risk transaction stipulated under Sub-Clauses 1 to 3 of Clause 28 of this Regulation, or a low risk transaction stipulated under Sub-Clauses 4 and 5 of Clause 28 of this Regulation at a value below 1.000-fold of the minimal salary.
25. At the presence of several criteria pertinent to different risks, the risk shall be determined as per the higher risk criterion, except for the cases stipulated under Sub-Clauses 2 and 3 of Clause 24 of this Regulation.
26. Whenever a new criterion of risk identified in the course of the business relationship with the customer, the reporting entity shall revise the risk assessment of the customer and take customer due diligence established for the newly determined risk.
27. In addition to the criteria of high risk as defined under Clause 21, Part 1 of Article 3 of the Law, the following shall also be criteria of high risk:
    1) Legal persons or arrangements that are personal asset-holding vehicles;
    2) Companies that have nominee shareholders or shares in bearer form;
    3) Businesses and business relationships that are cash-intensive;
    4) Companies that have unusual or excessively complex ownership structure;
    5) Private banking activities;
    6) Non-face-to-face business transactions or relationships.

28. In addition to the criteria of low risk as defined under Clause 23, Part 1 of Article 3 of the Law, the following shall also be criteria of low risk:
    1) Life insurance policies where the annual premium is below 400-fold of the minimal salary or the single premium is below 1.000-fold of the minimal salary;
    2) Insurance policies for pension schemes, provided that there is no early surrender option, and the policy cannot be used as collateral;
    3) Payments to the state or community budgets of the Republic of Armenia;
    4) Payments for utility services;
    5) Payments related to the provision of salaries, pensions or allowances from known sources.

CHAPTER 6: MINIMUM REQUIREMENTS WITH REGARD TO CUSTOMER DUE DILIGENCE

29. In cases established under Part 2 of Article 16 of the Law, the reporting entity should conduct customer due diligence by taking the measures commensurate to the risk of money laundering and terrorism financing.
30. The process of customer due diligence shall comprise identifying and verifying the identity of the customer (including that of the authorized person and the beneficial owner), understanding the purpose and intended nature of the business relationship, as well as conducting ongoing due diligence throughout the whole course of the business relationship (including the very moment of establishing a business relationship with a customer).
31. In case of medium (standard) risk, the process of customer due diligence as defined under Clause 19, Part 1 of Article 3 of the Law shall be applied, whereby the reporting entity, in implementation of the requirements established under that Clause and other relevant provisions of the Law for medium (standard) risk, shall take regular measures for ongoing due diligence of the business relationship.
32. When performing scrutiny of transactions within the framework of ongoing due diligence of the business relationship as stipulated under Part 1 of Article 17 of the Law, the reporting entity shall take the following regular measures in case of medium (standard) risk:
    1) Ascertain veracity and reliability of information (including documents) requested from the customer in relation to the transactions or the business relationship, by means of, *inter alia,* searching limited access and publicly available sources of information, making inquiries to competent authorities and other reporting entities, as well as foreign counterparts, as necessary;
    2) Collate sources, movements and volumes of the funds circulated through different transactions within the reviewed period of time;
    3) Check the existence of links between customers, transactions and business relationships;
    4) Ascertain consistency of the transactions or the business relationship with the business profile of the customer;

5) Establish the source of funds and wealth of the customer, as stipulated by its internal legal statutes;
6) Take other measures as required by internal legal statutes.

33. In case of high risk, the process of enhanced customer due diligence as defined under Clause 22, Part 1 of Article 3 of the Law shall be applied, whereby the reporting entity, in implementation of the requirements established under that Clause and other relevant provisions of the Law for high risk, shall take advanced measures for ongoing due diligence of the business relationship.

34. When performing scrutiny of transactions within the framework of ongoing due diligence of the business relationship as stipulated under Part 1 of Article 17 of the Law, the reporting entity shall take the following advanced measures in case of high risk:
1) Request necessary information (including additional documents), search all limited access and publicly available sources of information, make inquiries to as many as possible competent authorities and other reporting entities, as well as foreign counterparts, when ascertaining veracity and reliability of information (including documents) requested from the customer in relation to the transactions or the business relationship;
2) Take an as longer as possible or several comparable reviewed periods of time, when collating sources, movements and volumes of the funds circulated through different transactions;
3) Conduct a multi-level analysis, including one for discovering indirect links, when checking the existence of links between customers, transactions and business relationships;
4) Request information (including documents) fully substantiating the actions taken within the framework of the transactions or the business relationship, when ascertaining their consistency with the business profile of the customer;
5) Request information (including documents) substantiating legitimacy of the funds and wealth of the customer, when establishing their source;
6) Take other measures as required by internal legal statutes.

35. In case of low risk, the process of simplified customer due diligence as defined under Clause 24, Part 1 of Article 3 of the Law may be applied, whereby the reporting entity, in implementation of the requirements established under that Clause and other relevant provisions of the Law for low risk, may take lightened measures for ongoing due diligence of the business relationship.

36. When performing scrutiny of transactions within the framework of ongoing due diligence of the business relationship as stipulated under Part 1 of Article 17 of the Law, the reporting entity may take the following lightened measures in case of low risk:
1) Ascertain veracity and reliability of information (including documents) requested from the customer in relation to the transactions or the business relationship based on the information submitted by the customer;

2) Collate sources, movements and volumes of the funds circulated through different transactions within the reviewed period of time only when they exceed a reasonable monetary threshold;
3) Check the existence of links between customers, transactions and business relationships only when links with medium (standard) or high risk customers, transactions or business relationships emerge.

37. Scrutiny of transactions within the framework of ongoing due diligence of the business relationship as specified under Part 1 of Article 17 of the Law shall be performed throughout the whole course of the business relationship (including the very moment of establishing a business relationship with a customer); at that, the measures stipulated under Sub-Clauses 2 and 3 of Clauses 32 and 34 of this Regulation shall be taken at the periodicity determined by internal legal statutes, but no later than:
1) Once a year – in case of medium (standard) risk;
2) Once in six months – in case of high risk (except for the cases stipulated under Clause 41 of this Regulation).

38. Updating of the data collected within the framework of customer due diligence (except for the data obtained through identification and verification of identity of customers) as specified under Part 2 of Article 17 of the Law shall be performed on basis of the principle of parallelism, at the periodicity determined by internal legal statutes, but no later than:
1) Once a year – in case of medium (standard) risk;
2) Once in six months – in case of high risk (except for the cases stipulated under Clause 41 of this Regulation);
3) Once in two years – in case of low risk.

39. Customer due diligence measures shall be applied to existing customers, as at the date of bringing in the new requirements of national legislation, by taking measures commensurate to the risk of money laundering and terrorism financing, in the following cases and timeframes:
1) In relation to identifying and verifying the identity of the customer (including that of the authorized person and the beneficial owner), as well as understanding the purpose and intended nature of the business relationship – before conducting the first transaction with the customer or updating the data collected within the framework of customer due diligence as stipulated under Clause 38 of this Regulation, whichever occurs earlier after enactment of the new requirements;
2) In relation to conducting ongoing due diligence of the business relationship – upon enactment of the new requirements.

40. In case of establishing non-face-to-face business relationships, the reporting entity shall, within the framework of customer due diligence process, require that the first payment is carried out through an account in the customer's name with a financial institution, which meets the requirements defined under Sub-Clauses "a" to "c", Clause 3, Part 8 of Article 16 of the Law.

41. In case of politically exposed persons, the enhanced ongoing monitoring defined under Sub-Clause “d”, Clause 22, Part 1 of Article 3 of the Law shall comprise the measures specified under Clause 34 of this Regulation, and the periodicity of such measures referred under Clauses 37 and 38 of this Regulation shall be determined by internal legal statutes, but no later than once in three months.
42. When establishing business profile of the customer as stipulated under Part 7 of Article 16 of the Law, the reporting entity shall ensure that it has obtained sufficient information to ascertain whether the customer is a politically exposed person.
43. When establishing the existence of a beneficial owner as stipulated under Part 5 of Article 16 of the Law, the *“Statement on Existence (Absence) of Beneficial Owner”* as per Annex 2 to this Regulation shall be filled in. In the course of the business relationship, the template specified under this Clause shall be filled in whenever there appears to be a beneficial owner, or whenever the beneficial owner is changed.

CHAPTER 7: MINIMUM REQUIREMENTS WITH REGARD TO PROCESS OF REVIEW (CONDUCTION OF ANALYSIS) FOR RECOGNIZING TRANSACTIONS OR BUSINESS RELATIONSHIPS AS SUSPICIOUS

44. The process of recognizing a transaction or a business relationship as suspicious shall implemented by the Internal Monitoring Unit of the reporting entity as established by the Law, this Regulation and other legal statutes adopted on the basis of the Law, as well as by internal legal statutes.
45. The process of recognizing a transaction or a business relationship as suspicious shall commence both upon receiving internal or external signals, as well as upon the initiative of the Internal Monitoring Unit, whenever:
    1) There is a potential match of the data on a customer or on the other party to a transaction with the identification data of the persons related to terrorism or of the persons specified in the assignments of the Authorized Body;
    2) The circumstances of the case under consideration fully or partially match the criteria or typologies of suspicious transactions or business relationships;
    3) The logic, pattern (dynamics) of implementation or other characteristics of the performed or attempted transaction or business relationship provide the grounds to assume that it may be carried out for the purpose of money laundering or terrorism financing;
    4) There are other circumstances, as defined by internal legal statues of the reporting entity, pointing out to the suspiciousness of the transactions or business relationships.
46. Internal signals shall be those received from the customer service staff, the management bodies of the reporting entity, the internal audit, as well as from other staff with competencies in the prevention of money laundering and terrorist financing. Such signals shall be transmitted to the Internal Monitoring Unit in the manner and timeframes established by internal legal statutes.

47. External signals shall be those received from the Authorized Body, other reporting entities, foreign counterparts, as well as from limited access and publicly available sources of information.
48. In cases specified under Sub-Clause 1 of Clause 45 of this Regulation, the Internal Monitoring Unit shall take the following measures, whenever there is a potential match of the data with:
    1) Identification data of the persons related to terrorism – immediately conduct matching exercises and, in case of positive match, as well as when the absence of a positive match cannot be reliably ascertained, file with the Authorized Body a report on suspicious transaction or business relationship in the manner established by the Law, and take the measures stipulated under Article 28 of the Law;
    2) Identification data of the persons specified in the assignments of the Authorized Body – conduct matching exercises within the timeframes specified by the assignments and, in case of positive match, as well as when the absence of a positive match cannot be reliably ascertained, take the actions prescribed by the assignments.
49. In cases specified under Sub-Clauses 2 to 4 of Clause 45 of this Regulation, the Internal Monitoring Unit shall conduct comprehensive analyses by using customer due diligence information and additionally obtained data, consult the Financial Monitoring Center of the Central Bank of Armenia as necessary and, in case of recognizing the transaction or business relationship as suspicious, file with the Authorized Body a report on suspicious transaction or business relationship in the manner established by the Law, as well as take other measures as stipulated by the Law.
50. If the analyses conducted by the Internal Monitoring Unit on basis of internal and external signals, as well as upon its own initiative, do not result in recognizing a transaction or business relationship as suspicious and filing with the Authorized Body a report on suspicious transaction or business relationship, the grounds for non-recognition of the transaction or business relationship as suspicious, the respective conclusions, the process of conducted analysis and its findings shall be documented and maintained in the manner and timeframe established by this Law.

CHAPTER 8: MINIMUM REQUIREMENTS WITH REGARD TO COLLECTING, RECORDING, AND MAINTAINING INFORMATION (INCLUDING DOCUMENTS)

51. Information (including documents) established by the Law can be collected and maintained in paper or electronic form.
52. Information (including documents), which the Law requires to maintain, should be recorded. Recording should be done in a way enabling reconstruction of identity of the employee, who had conducted customer due diligence or had taken other actions for obtaining information (including documents) to be maintained.
53. The reporting entity should ensure security and confidentiality of maintained information (including documents).

CHAPTER 9: CASES AND PERIODICITY OF CONDUCTING INTERNAL AUDIT OF REPORTING ENTITY; RULES FOR COMMISSIONING EXTERNAL AUDIT

54. The reporting entity shall conduct internal audit to ascertain that its activities comply with the requirements of the Law, this Regulation and other legal statutes adopted on the basis of the Law.
55. Where the legislation requires the reporting entity to have an internal audit function, the annual program of the internal audit should provide for reviewing compliance of the reporting entity's activities with the requirements of the Law, this Regulation and other legal statutes adopted on the basis of the Law.
56. Where the legislation does not require the reporting entity to have an internal audit function, the internal legal statutes should establish the rules and periodicity for reviewing compliance of the reporting entity's activities with the requirements of the Law, this Regulation and other legal statutes adopted on the basis of the Law.
57. Conclusions made due to implementing the requirements of Clauses 55 and 56 of this Regulation (including the relevant section of the report on the implementation of the internal audit's annual program) shall be duly submitted to the Authorized Body within one week following approval by the Board of the reporting entity.
58. Where the legislation requires the reporting entity to commission external audit in certain cases and periodicity, the external audit should also review introduction of the requirements of the legislation on combating money laundering and terrorism financing, and effectiveness of their implementation.
59. The Authorized Body may request the reporting entity to commission external audit, provided that the reporting entity regularly violates the requirements of the Law, this Regulation and other legal statutes adopted on the basis of the Law, or engages in activities characterized by criteria of high risk of money laundering and terrorism financing.
60. The reporting entity shall commission external audit within one month after being requested by the Authorized Body to do so, and shall submit to the Authorized the conclusion of the external audit within one week upon its receipt.
61. The reporting entity having a subsidiary, branch or representation shall be responsible for the compliance of their activities with the requirements of the Law, this Regulation and other legal statutes adopted on the basis of the Law. To that end, the reporting entity should receive and review a copy of the conclusion of the audit conducted at its subsidiaries, branches or representations.

CHAPTER 10: MINIMUM REQUIREMENTS WITH REGARD TO TRAINING OF RELEVANT STAFF OF REPORTING ENTITY WITH COMPENETCIES IN PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

62. The reporting entity should arrange regular trainings for the Board, the Executive Body, the Internal Monitoring Unit, the staff performing customer service and internal audit functions,

as well as for other relevant staff with competencies in the prevention of money laundering and terrorism financing.

63. Training in the prevention of money laundering and terrorism financing for the newly recruited staff, as specified under Clause 62 of this Regulation, should be arranged within three months after their recruitment.

64. Materials of the trainings arranged by the reporting entity, details of the staff having participated such trainings, and documents ascertaining such participation should be recorded and maintained for at least 5 years.

Annex 1

To the Regulation on Minimum Requirements
to Reporting Entities in the Field of Preventing
Money Laundering and Terrorism Financing

DECLARATION

On Staff Member of Internal Monitoring Unit

1. Personal data
1.1. Name, surname, patronymic _____ 1.2. Gender _____ 1.3. Date of birth _____ (day/month/year) 1.4. Place of birth _____ 1.5. Nationality _____ 1.6. Serial number, issuing authority and issuance date of identification document_____ 1.7. Social card number (if available) _____ 1.8. Place of residence _____ 1.9. Phone _____ 1.10. E-mail _____
2. Position
2.1. Please specify if you hold another position _____
3. Concerning the grounds specified under Clauses 8 and 9 of the Regulation on Minimum Requirements in the Field of Preventing Money Laundering and Terrorism Financing: *Please use additional sheets for comments, if necessary*
3.1. Have you been convicted for deliberately committed crime, which conviction has not been removed or cancelled in the established manner? Yes □ No □
3.2. Have you been deprived, by the court, of the right to hold positions in financial, banking, tax and customs, commercial, economic or legal fields? Yes □ No □

3.3. Have you been recognized bankrupt and do you have unpaid (unforgiven) liabilities? Yes □ No □

3.4. Are involved in a criminal case by Armenian or foreign law enforcement agencies as suspect, accused or defendant? Yes □ No □

3.5. Education

Instead of completing this item, the staff member may provide his/ her autobiography (in printed form and in the Armenian language) to contain at least the following information:

3.5.1Title of educational institution	Location	Study period (from ---- to ----)	Degree

3.6. Professional experience within the period of the last 10 years

Title, location and phone number of organization	Date of employment and dismissal	Position

3.7. Other valuable, in your opinion, information

4. *I assure that the information contained in this document is complete and reliable. I acknowledge that submission of false data or information shall result in criminal, administrative and disciplinary responsibility established by the law*.

I commit myself to communicate any changes in the above information to the reporting entity in a duly and timely manner.

Signature _____ Date _____

(day/month/year)

Annex 2

To the Regulation on Minimum Requirements
to Reporting Entities in the Field of Preventing
Money Laundering and Terrorism Financing

STATEMENT

On Existence (Absence) of Beneficial Owner

I ----------, entering into business relationship or acting in the capacity of ---------- in the transaction ---------- state that there is / there is no beneficial owner in the said business relationship or transaction.

The beneficial owner is ---------- ----------.

In the course of the business relationship, I commit myself to communicate any changes of the beneficial owner, or the emergence thereof.

Date ------ ---------- -------

Signature