

THE REPUBLIC OF ARMENIA

LAW

ON CASH COLLECTION

Adopted on September 28, 2004

CHAPTER 1

GENERAL PROVISIONS

Article 1. Subject and Framework of Law

This law defines cash collection activities carried out in the Republic of Armenia and cash collection organizations, procedure for carrying out cash collection as well as cases of violation of law by cash collection organizations and sanctions imposed thereto.

(Part 2 repealed AL-101-N, 31.05.06)

(Article 1 amended AL-101-N, 31.05.06)

Article 2. Republic of Armenia Legislation on Cash Collection

Cash collection activities carried out in the Republic of Armenia are regulated by the Republic of Armenia international treaties, other laws and, in cases provided for by law, other legal acts.

If the Republic of Armenia international treaties stipulate other provisions than provided for in this law, provisions of the international treaties shall prevail.

Article 3. Definitions Used in this Law

The main definitions used in this law are:

- **cash collection organization** – commercial legal person, which has a license for rendering cash collection services as defined by this law and the Republic of Armenia law “On Licensing”.
- **cash** - Republic of Armenia dram in circulation or withdrawn or revoked from circulation, but subject to exchange, as well as foreign currency in cash and standard bullions of precious metals;
- **other valuables** – securities, payment and settlement documents, as well as other property, which the contractor wants to transport;
- **bank** - bank operating in the republic of Armenia, head office or territorial branches of a bank;
- **credit organization** - credit organization operating in the Republic of Armenia, head office or territorial branches of a credit organization;
- **customer** – person using services of banks or credit organizations;
- **contractor** – person with whom cash collection organization signed a contract on collection of cash and (or) other valuables.

Article 4. Cash Collection Activity

1. Cash collection activity in the Republic of Armenia is defined as entrepreneurial activity on receiving, transfer (transportation) and submission of cash (hereinafter referred to as cash collection).

Cash collection organizations may also render services on taking cash into temporary safe custody.

2. Cash collection activities may be carried out exclusively by commercial legal persons who have license for rendering collection services pursuant to the Republic of Armenia law “On Licensing”, whose statutory capital is not less than 20 million drams.

3. In performing their duties, cash collection organizations and their professional staff may use civil and corporate weapon and, in some cases, definite types of fighting weapon provided by police for temporary use. The Republic of Armenian government shall define types, form, models and quantity of civil and corporate weapon used by the staff of cash collection organizations.

4. Cash collection organization shall have at least one armored vehicle. The vehicle shall be of a special identifying color, equipped with radio communication device, as well as light beacons emitting special voice and luminescent light signals.

5. Unless provided for otherwise in applicable law, it is foreclosed for cash collection organization to carry out other activity.

6. The Republic of Armenian government shall define mandatory provisions for cash collection organizations, their vehicles, technical safety devices and other equipment.

(Article 4 AL-101-N, 31.05.06)

Article 5. Licensing of Cash Collection Organization, Procedures for Qualification of Professional Staff of Cash Collection Organizations and Checking their Professional Adequacy and Qualification

1. Licensing of cash collection organization shall be performed in accordance with the Republic of Armenia law “on Licensing” and the procedure established by the Republic of Armenia government.

2. Procedures for qualification of professional staff of cash collection organizations and checking their professional adequacy and qualification are defined in the Republic of Armenia law “On Licensing”, Republic of Armenia law “On Weapon” and licensing procedure established by the Republic of Armenia government agreed with the Republic of Armenia Central Bank (hereinafter referred to as Central Bank).

3. Certificate on professional adequacy and qualification of professional staff of cash collection organizations is provided for a period of three years and extended by five years after each control defined in the Republic of Armenia law “On Organization and Performance of Control”.

4. Professional staff of cash collection organizations shall also pass special readiness controls in terms of professional capacities in accordance with norms and conditions defined in the Republic of Armenia law “On Weapon”.

Article 6. Control Over Cash Collection Activities

The body authorized by the government shall control the compliance with the terms and conditions defined in the license on provision of cash collection services pursuant to terms and conditions established by the Republic of Armenia law “On Weapon” and Republic of Armenia law “On Organization and Performance of Audits”.

CHAPTER 2

COLLECTION OF CASH AND OTHER VALUABLES

Article 7. Transportation of Cash and Other Valuables

1. Collection of cash exceeding the quantity defined by the Central Bank for organizations licensed by the Central Bank shall be mandatory carried out by cash collection organizations.

2. Transportation of other valuables may be carried out without limitations by persons not having license for rendering cash collection services.

Article 8. Procedures for Receiving and Submitting Cash and Valuables by Cash Collection Organization

1. The Central Bank shall establish procedures for receiving and submitting cash and valuables by cash collection organizations and their professional staff.

2. *(Part 2 repealed AL-101-N, 31.05.06)*

(Article 8 edited AL-101-N, 31.05.06)

Article 9. Life and Health Insurance of Professional Staff of Cash Collection Organizations

Cash collection organization must on its own account insure cash transported by it as well as insure life and health of its professional staff. Different lots of cash regularly transported within certain period of time and at similar conditions may, by mutual agreement of cash collection organization and insurance company, be collectively insured by a single agreement within insurance master policy.

Insurance of other valuables is made by the request of the contractor.

CHAPTER 3

Law Violations and Sanctions Imposed Thereto

Article 10. Sanctions Imposed on Cash Collection Organization

Sanctions imposed on cash collection organizations may include:

- a) warning and instruction to correct the violation;
- b) license suspension;
- c) license termination.

Article 11. Violations of Law

Cash collection organization may be subject to sanctions defined in Article 10 of this law, if:

- a) the size of statutory capital of cash collection organization is inadequate with the size defined by this law;
- b) cash collection company carried out activities not authorized by this law.
- c) provisions on measures to ensure professional adequacy of staff and the required condition of weaponry, prescribed by the authorized state body, were infringed;
- c) cash collection organization failed to correct violations within the deadline defined in the instruction of the authorized state body;
- d) in other cases defined in the Republic of Armenia law "On Licensing".

Article 12. Warning and Instruction to Collect Violations

1. The warning identifies committed violation and notifies cash collection organization thereof.
2. The warning provides for the correction of the committed violation within the deadline defined by the authorized state body, or instruction to take measures in order to avoid such violations in future which is binding for company.
3. Warning as a sanction may be applied if for the committed violation suspension or termination of license is not envisaged.

For committing the same type of violation defined by this law, only one type of sanction may be imposed.

Article 13. Suspension of License

Cash collection license may be suspended in cases defined in the Republic of Armenia law "On License", or in cases defined in clause "d", Article 11 of this Law.

Article 14. Termination of License

1. Cash collection license may be terminated in cases defined in the Republic of Armenia law "On License", or in cases defined in clause "b", Article 11 of this Law.

Cash collection license may be also terminated in case if cash collection company fails to eliminate the violation defined in clause “a”, Article 11 of this Law as instructed by the authorized state body.

2. Cash collection license may be also terminated in case if within 1 year after receiving the respective license, cash collection company does not carry out such activities.

3. Cash collection license may be terminated by the decision of court.

CHAPTER 4

TRANSITIONAL PROVISIONS

Article 15. Entry into Force

1. This law shall enter into force in 6 months after promulgation.

2. Cash collection companies established and licensed before this law enters into force, shall bring their activities into conformity with this law.

3. Within three months after this law enters into force, the authorized state body and the Central Bank shall adopt the respective normative acts ensuing from it.

President of the Republic of Armenia

ROBERT KOCHARYAN

October 21, 2004, Yerevan

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