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THE CENTRAL BANK OF ARMENIA
BOARD RESOLUTION
Number 142-N
June 7, 2013

ON APPROVAL OF THE PROCEDURES "ON UNDERWRITING OF THE SHORT-TERM, MID-TERM AND LONG-TERM GOVERNMENT (TREASURY) COUPON BONDS OF THE REPUBLIC OF ARMENIA, ORGANIZATION OF THE REPURCHASE AUCTION AND THE REPURCHASE AND SERVICING OF REPAYMENT", "ON CUSTODY ACTIVITY OF THE GOVERNMENT BONDS OF THE REPUBLIC OF ARMENIA", "ON IMPLEMENTATION OF ACTIVITIES, RELATED TO THE PLEDGE OF GOVERNMENT BONDS OF THE REPUBLIC OF ARMENIA", "ON THE CODING OF ACCOUNT NUMBERS, APPLIED IN THE SYSTEM OF ACCOUNTING AND SETTLEMENTS OF GOVERNMENT BONDS", "ON CIRCULATION OF GOVERNMENT BONDS OF THE REPUBLIC OF ARMENIA IN THE SECONDARY MARKET", "ON MINIMUM REQUISITES OF THE DOCUMENTS, USED IN THE OPERATIONS WITH GOVERNMENT BONDS" AND REPEALING THE RESOLUTION OF THE BOARD OF THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA No 75-N AS OF MARCH 20, 2004[1]

Pursuant to point "kc1" of the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia", part 4 of Article 16 of the Law of the Republic of Armenia "On legal acts", as well as the written consent of the Ministry of Finance of the Republic of Armenia, the Board of the Central Bank of the Republic of Armenia

d e c i d e s:

1. To approve the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment", in accordance with Appendix 1 (attached).
2. To approve the Procedure "On Custody activity of the government bonds of the Republic of Armenia", in accordance with Appendix 2 (attached).
3. To approve the Procedure "On implementation of activities, related to the pledge of

[1] This Regulation includes the amendments and supplements and all other changes endorsed under the following Resolution of the Board of the Central Bank:
No. 279-N, dated 10.12.2013;

government bonds of the Republic of Armenia", in accordance with Appendix 3 (attached).

4. To approve the Procedure "On the coding of account numbers, applied in the system of accounting and settlements of government bonds", in accordance with Appendix 4 (attached).

5. To approve the Procedure "On circulation of government bonds of the Republic of Armenia in the secondary market", in accordance with Appendix 5 (attached).

6. To approve the Procedure "On minimum requisites of the documents, used in the operations with government bonds", in accordance with Appendix 6 (attached).

7. From the moment of entering of this Resolution into force, to repeal the Resolution of the Board of the Central Bank of the Republic of Armenia No 75-N as of March 30, 2004 "On approval of the procedures "On underwriting of the Government bonds of the Republic of Armenia, organization of the repurchase and servicing of repayment", "On Custody activity of the Government bonds of the Republic of Armenia", "On implementation of activities, related to the pledge of Government bonds of the Republic of Armenia", "On the coding of account numbers, applied in the system of accounting and settlements of Government bonds", "On circulation of Government bonds of the Republic of Armenia in the secondary market", "On minimum requisites of the documents, used in the operations with Government bonds"".

8. This Resolution shall come into force on July 9, 2013.

Chairman of the Central Bank
of the Republic of Armenia **Arthur Javadyan**

June 7, 2013
Yerevan

Appendix 1
Approved by the Resolution of the Board of
the Central Bank of the Republic of Armenia
No. 142-N as of June 7, 2013

PROCEDURE ON UNDERWRITING OF THE SHORT-TERM, MID-TERM AND LONG-TERM GOVERNMENT (TREASURY) COUPON BONDS OF THE REPUBLIC OF ARMENIA, ORGANIZATION OF THE REPURCHASE AUCTION AND THE REPURCHASE AND SERVICING OF REPAYMENT

CHAPTER 1. GENERAL PROVISIONS

1. This Regulation defines the procedure of underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment.

2. According to this Procedure, based on the instruction of the Minister of Finance of the Republic of Armenia on bonds issuance, and in case of mid-term and long-term Government (Treasury) coupon bonds – also on the instruction on organization of the auction of distribution, the Central Bank of the Republic of Armenia, as the financial agent of the Government of the Republic of Armenia, organizes the underwriting of the bonds. Based on the instruction of the Minister of Finance of the Republic of Armenia on organization of the repurchase and the repurchase auction, the Central Bank of the Republic of Armenia organizes the repurchase, the repurchase auction.

CHAPTER 2. THE MAIN CONCEPTS, USED IN THIS PROCEDURE

3. The main concepts, used in this Procedure, are the followings:
   1) Bank – the Central Bank of the Republic of Armenia,
   2) Issuer – The Ministry of Finance of the Republic of Armenia,
   3) Bond – the short-term, mid-term and (or) long-term Government (Treasury) coupon bonds, issued by the Ministry of Finance of the Republic of Armenia,
   4) Underwriting – a closed competition process (auction), organized for underwriting of the bonds, during which the potential buyers submit their applications in order to acquire the bonds,
   5) Organization of the repurchase – a process, organized for repurchase of the bonds in the circulation with a yield, announced beforehand by the issuer, during which the potential sellers submit their applications in order to sell the bonds,
   6) A repurchase auction – a closed competition process, organized for repurchase of the bonds in the circulation, during which the potential sellers submit their applications in order to sell the bonds,

7) Repurchase – the process organization of the repurchase auction and the repurchase,
8) Custodian – the person, bearing the responsibility of underwriting, repurchase, circulation and servicing of repayment of the bonds, as well as performing the Custody activity. The Bank performs the function of the Custodian.
9) Sub-custodian – a person or persons, performing Custody activity, who, by separate investors, register the bonds, belonging to the latter by the property rights. The agents and the Treasury direct perform the function of the Sub-custodian. The persons, signing a sub-custody contract with the Custodian, also perform the functions of the Sub-custodian. The Sub-custodian may also open and maintain nominee's securities accounts.
10) Agent – an investment services provider, who has signed a contract on performing agent's functions in the bond market,
11) Investor – any legal or natural entity, who acquires bonds by the property right,
12) The Treasury direct – a system of direct sale of the bonds, registration and servicing of the bonds, belonging to the investors, by the authorized body of the Government of the Republic of Armenia,
13) Working group – a group, consisting of one representative of the Issuer and the Bank in order to perform the underwriting and the repurchase, and whose authorities and composition are being approved by the Chairman of the Bank,
14) Electronic message – an electronic standardized message, prepared by a special format, approved by the Bank, through which the underwriting applications, depo assignments, the messages of their receipt, implementation, rejection or other messages are being submitted,
15) Application – offers, submitted on underwriting, repurchase by the agent and Treasury direct,
16) Money account of the issuer – the united treasury account of the issuer in the Bank,
17) Depo account – a complex of recordings (united by mutual criteria) of the custodian and sub-custodian, specified for accounting of the bonds,
18) System – a system of accounting and settlements of Government bonds, which ensures the servicing of repurchase, underwriting, circulation and repayment of the bonds,
19) Participants – the participants of underwriting and repurchase are the agents; the participant of underwriting of the short-term Government (Treasury) bonds of the Republic of Armenia is also the Treasury direct.

(Point 3 was supplemented by Resolution No 279-N as of 10.12.13)

CHAPTER 2. THE PROCEDURE OF UNDERWRITING OF THE BONDS

4. The investors may take part in the underwriting through an agent, who has signed a contract with the investor, by submitting to it an application of acquisition of the bonds.

5. The agent, which has acquired bonds for the investors during the underwriting, should transfer them to the investors' depo accounts during the same day after the end of underwriting, and also transfer the respective funds of the bonds, not acquired during the underwriting, to the investor's correspondent accounts.

6. The relations between the agent and the investor are being regulated by the contract, signed between the agent and the investor.

7. The agent may participant in the underwriting as an investor through another agent, in accordance with the procedures, specified for the investor in points 4-6 of this Chapter.

8. The participants of the underwriting submit two types of applications on acquisition of bonds from 15:00 of the previous working day till 10:30 of the day of underwriting. The first application includes the own bids of the participants of the underwriting about acquisition of the bonds, and the second application includes the investors' bids. The applications, submitted after 10:30 of the day of underwriting, are not accepted, except for the cases, specified in point 14.

9. The applications, submitted for the underwriting, include competitive and non-competitive bids:

1) The volume of the bonds, which the participant is willing to acquire during the underwriting, and the sum, for which the participant is ready to acquire the mentioned volume of the bonds, is being mentioned in the competitive bid, submitted for the underwriting of the short-term Government bonds of the Republic of Armenia,
2) The volume of the bonds, which the participant is willing to acquire during the underwriting, and the yield, for which the participant is ready to acquire the mentioned volume of the bonds, is being mentioned in the competitive bid, submitted for the underwriting of the mid-term and long-term Government coupon bonds of the Republic of Armenia. The yield is being mentioned with four decimal point accuracy,
3) The volume of the bonds, which the participant of underwriting is willing to acquire with the weighted average yield, formed during the underwriting, is being mentioned in the non-competitive bid of applications, submitted for the underwriting of the bonds,
4) The volumes of acquisition of the bonds should be divisible by the step, specified in the instruction of issuance of the given bonds. All the sums are being mentioned with one Dram accuracy.

10. The applications of underwriting are being submitted by respective electronic messages from the CBA-Net system workstation, located at the participant of the underwriting: moreover, for each type of application (own, investor's) a separate message is being formed. In case of receiving two similar applications from the same participant of underwriting, the application, received first by the system, is being accepted. The application,

accepted by the system, cannot be recalled, and no changed can be done in it.

11. The applications, filled with violations of the requirements of underwriting and/or the violations of limitations, provided for separate application/applications, filled with deviations from the conditions or not secured with sufficient funds, are being rejected. The respective participants of the underwriting are being informed about that by respective electronic messages. In case of rejection of the application before the end of the term, specified for acceptance of the claims, the participant of the underwriting may submit a new application.

12. If due to different types of failures (connection failure, failure of the hardware-software system, operating under the control of the participant, etc.) the participant of the underwriting does not have an opportunity to send the applications from the CBA-Net workstation, located at its place, or if within 10 minutes after submitting the application from the workstation, located at its place, it does not receive the respective electronic message about acceptance (rejection), then the application (applications) is being entered till 10:30 from the special workstation, located in the Bank.

13. The working group stops accepting the applications at 10:30 of the day of underwriting.

14. In case of occurrence of technical problems, related to the communication channels and/or systems, specified for implementation of the underwriting, the working group immediately informs the issuer about the respective problem. Taking into consideration the decision made by the issuer (to continue, postpone, resume or cancel the underwriting), the working group continues the implementation of the respective process, in accordance with the procedures mentioned below:

1) The process of continuing the underwriting takes place in accordance with the procedures, specified in points 15-24 of this Procedure,
2) The process of postponing the underwriting (to continue the process of underwriting on the day of underwriting at a later time, by the applications, accepted for the given underwriting) takes place in accordance with the note, submitted by the issuer, where the terms (date, time) of implementation of the respective processes are also registered,
3) The process of resuming (to remove the process of underwriting to a later time on the same day or to another working day) or cancelling the underwriting takes place in accordance with the note, submitted by the issuer, where the terms (date, time) of implementation of the respective processes are also registered. The rules, specified in point 25 of this Chapter, are applied.
4) The Bank informs the participants of the underwriting about the processes of sub-points 2-3 of this point by the CBA-Net system and/or the phone immediately, but not later than before 11:30 of the day of underwriting.

15. From the moment of suspension of acceptance of applications, the system performs a checking of the accepted applications against the requirements, provided for individual participant by the instruction of issuance.

16. The system checks the existence of sufficient funds on the money account of the participant of the underwriting, taking into consideration the sum of the funds, available on the respective account, and the volume of those bonds on the depo account, subject to repayment as of the day of underwriting, except for pledged and (or) seized bonds. In case of existence of sufficient funds the system ensures the limitation of their use for other operations of the account owner.

17. Based on the accepted (not rejected) applications, the collective bulletin is being prepared, in accordance with Form 1. The collective bulletin, verified by the working group, is being provided to the issuer before 11:00 by the CBA-Net system, and in case of failure of the CBA-Net – in a hard copy.

18. Not later, than at 12:00 of the day of underwriting, the issuer determines the marginal yield and the weighted average annual yield of underwriting of the bonds, the values of which are being rounded with four decimal point accuracy, after which, based on the instruction of the issuer, prepared in accordance with Form 2, the criteria mentioned in this point are being entered into the system. The instruction of the issuer is being transferred to the Bank through the CBA-Net system, and in case of failure of the CBA-Net system – in a hard copy.

19. After entering the criteria, mentioned in point 8 of this Procedure, into the system, the satisfaction of applications starts. In case of participation of the Treasury direct in the underwriting, the application, submitted by the Treasury direct, is being satisfied in the first order within the limits, mentioned in the issuance instruction, after which – the non-competitive bids, submitted by the rest of participant, within the limits, specified in the issuance instruction (in case of short-term Government bonds, the total volume of non-competitive bids, submitted by the agents, is being satisfied within the limits of 20% of the volume of issuance; in case of mid-term and long-term coupon bonds, the total volume of non-competitive bids, submitted by the agents, is being satisfied within the limits of 20% of the volume, subject to issuance on the given day). If the total volume of non-competitive bids, submitted by the agents, is higher, then the bids are being satisfied proportionally within the limits of 20%. After satisfaction of non-competitive bids, the satisfaction of competitive bids begins, starting with the bids with the lowest level of yield till the volume, defined with the marginal yield. If the volume of bonds, subject to satisfaction with the marginal yield, is less than the volume of bids with the given yield, then a proportional underwriting is being performed; otherwise, the whole volume of competitive bids with the given marginal yield is being satisfied. For underwriting of the non-distributed volume of the bonds, arisen as a result of the proportional distribution, the principle of random selection is applied, formed by the generator of random numbers. The proportional distribution of the bids is being performed in accordance with Form 3.

20. The system calculates the volume of the bonds under distribution by the participant of underwriting, as well as the amount of funds, transferrable to the issuer, taking into consideration the existence on the depo accounts (own and cumulative for investors') of the auction participants of the volume of bonds, subject to repayment as of the day of

underwriting; and on the day of underwriting the system performs the transfers to the money and depo accounts of money funds and bonds with the respective volumes.

21. Based on the calculations, the Bank publishes a statement on the results of underwriting on its webpage till 13:00 of the day of underwriting. The statement, published on the results of underwriting of the bonds, should include:

1) The number of the agents participated,
2) The total volume of the submitted bids (Drams),
3) The volume of the submitted competitive and non-competitive bids (agents, the Treasury direct) (Drams),
4) The total amount of the satisfied bids (Drams),
5) The marginal and weighted average yields of the underwritten bonds.

22. The participants of the underwriting are being informed about the applications, submitted by themselves, through respective electronic messages.

23. If within the terms, specified by this Procedure, the issuer does not define the pricing conditions of the underwriting, then the Bank may cancel the underwriting on the day of underwriting at 12:30, about which the participants of the underwriting are being informed through respective electronic messages.

24. The acquisition price of the competitive bids of the bonds, presented for underwriting, is being calculated in accordance with the formulas of calculation of the bonds' price, specified by the procedures on servicing the underwriting, circulation and repayment of the Government (Treasury) bonds of the Republic of Armenia.

25. In case of resuming the underwriting at the later time on the same day, moving to the next working day or cancelling, the applications, accepted for the given underwriting, are being automatically cancelled, and the participants, submitting the applications, are being informed about that through respective electronic messages. In case of limitation of money funds of participants of the underwriting, the limitations are being automatically removed. After being informed about the resumption or shift of the underwriting, the participants of the underwriting should submit new applications in accordance with the procedures, specified in this Chapter. In case of resumption of the underwriting process on the same day at a later time, the other terms, applicable to the underwriting processes under this Chapter, are also being prolonged by the duration of postpone.

26. On the day of auction of the bonds' underwriting the Bank submits reports to the issuer in accordance with Form 4, Form 5 and Form 6.

CHAPTER 4. THE PROCEDURE OF REPURCHASE OF THE BONDS

27. Only the bonds in the circulation with the free status can be the subjects of repurchase.

28. The investors can participate in the repurchase through an agent, who has signed a contract with the investor, by submitting to it an application on repurchase of the bonds.

29. The agent, which has sold bonds for the investor during the repurchase, should within the same day after the end of the repurchase transfer the funds, received for the investor's sold bonds, to the correspondent account of the investor, and should transfer the non-sold bonds to the investor's depo account.

30. The relations between the agent and the investor are being regulated by the contract, signed between the agent and the investor.

31. Until 10:30 of the day of repurchase, the issuer accumulates sufficient money funds for the repurchase on its money account. Based on the instruction, received from the issuer, the Bank limits the ability of use of the budgetary funds on the issuer's money account, aimed at the repurchase. In case of absence or insufficiency of the funds on the issuer's money account, the Bank may cancel the repurchase.

32. Until 10:30 of the day of the repurchase, the agents, participating in the repurchase, should have on their depo accounts bonds in the necessary volume, provided for the repurchase, in accordance with the free bonds (own and cumulative – for investors), registered in the Bank.

33. The participants of the repurchase submit two types of applications, specified by this Procedure for the sale of the bonds.

34. The applications, submitted for the repurchase auction, include only competitive bids, which mention the volume of the bonds, that the participant wants to sell during the auction, and the yield, for which the participant is ready to sell that volume of bonds.

35. For organization of the repurchase, bids may be submitted, mentioning the volume of bonds, subject to the sale, with condition of satisfaction of the annual yield, announced beforehand by the issuer.

36. Each application, submitted for the repurchase auction, may include maximum twenty bids. The total volume of own bids, submitted by the participant for each repurchase auction, may not exceed the volume, subject to repurchase for the given day. The volume of bids, submitted for each repurchase auction by the participant at the expense of investors, is not limited. Each application, submitted for organization of the repurchase, may include one competitive bid.

37. The volumes of the bonds, mentioned in the repurchase application, should be divisible by the step, specified in the instruction of issuance of the given bonds. The yield is being mentioned with maximum four decimal point accuracy.

38. The repurchase applications are being submitted within the terms, specified for underwriting, in accordance with the procedure, specified in points 10-14 and 25 of this Procedure.

39. After the end of acceptance of the applications, the system checks the existence of bonds with sufficient volume on the participant's depo account of free bonds. In case of existence of respective bonds the system ensures the limitation of their use for other operations of the account owner.

40. The applications, not secured by sufficient volume of bonds, are being rejected, and the participants are being informed about that through respective electronic messages.

41. Based on the accepted (not rejected) applications, the collective bulletin is being prepared, in accordance with Form 7 (repurchase auction) and Form 11 (organization of the repurchase), which is being provided to the issuer.

42. In case of the repurchase auction, the issuer defined the marginal yield of the bonds repurchase, after which, based on the issuer's instruction, prepared in accordance with Form 8, the conditions, mentioned in this point, are being entered into the system. The transfer of the collective bulletin, as well as the issuer's instruction, is being performed within the procedure and terms, specified for the underwriting auction.

43. After entering the conditions of the repurchase auction into the system, the satisfaction of competitive bids begins, starting with the bids with the highest level of yield till the volume, defined with the marginal yield. The satisfaction of the bids with marginal yield is being performed by the whole volume or by the principle of proportionality, in accordance with the procedures, specified for the underwriting auction.

44. In case of organization of the repurchase, the issuer satisfies the whole volume of bids, included in the collective bulletin, and no instruction is being submitted by the issuer.

45. The system calculates the sums, subject to payment for the bonds under repurchase, by the separate participant of the repurchase, as well as the volumes of bonds, transferable to the issuer, and on the day of the repurchase the system performs the transfers of money funds and bonds with the respective volumes to the money and depo accounts.

46. Based on the calculations, mentioned in point 45 of this Procedure, the Bank publishes the information about the results of the repurchase on its webpage before 13:00 of the day of the repurchase. The statement, published about the results of the repurchase, should include:

1) The date of the repurchase,
2) The number of the agents, participating in the repurchase,
3) The total volume of the submitted bids (Dram),
4) The total volume of the satisfied bids (Drams),
5) The marginal and weighted average yields of the repurchased bonds (in case of the repurchase auction),
6) The annual yield of the repurchased bonds (in case of organization of the repurchase).

47. On the day of the repurchase the participants are being informed about their submitted applications through respective electronic messages.

48. If within the terms, specified by this Procedure, the issuer does not define the pricing conditions of the repurchase auction, then the Bank may cancel the repurchase auction on the day of the repurchase auction at 12:30, about which the participants of the repurchase auction are being informed through respective electronic messages.

49. The sale price of the bonds, presented for repurchase, is being calculated in accordance with the formulas of calculation of the bonds' price, specified by the procedures on servicing the underwriting, circulation and repayment of the Government (Treasury)

bonds of the Republic of Armenia. All the sums are being calculated with one Dram accuracy.

50. On the day of the repurchase of the bonds the Bank submits reports to the issuer in accordance with Form 9, Form 10 (repurchase auction) and Form 12 (organization of the repurchase).

CHAPTER 5. SERVICING THE REPAYMENT OF THE BONDS

51. On the day of repayment of the bonds and/or payment of the coupon yield, without an additional instruction, provided by the issuer, the Bank levies the respective sums of repayment of the bonds and/or payment of the coupon yield from the money account of the issuer.

52. If on the day of repayment of the bonds there is no auction on underwriting of other bonds, then the repayment is being performed automatically in the system, that is: on the day of the repayment the transfers of respective volume of money funds and bonds are being performed to the money and depo accounts, as a result of which the whole volume of the bonds in the circulation, subject to repayment, is being transferred from the depo accounts to the issuer's depo account of repaid bonds, and at the same time the respective transfers of money funds in the amount of repayment are being performed.

53. In case of mid-term and long-term coupon bonds, the sums of the coupon are also being transferred to the respective money accounts of the depo account owners.

54. If on the day of repayment of the bonds there is an auction on underwriting of other bonds, then the operations of repayment and underwriting may be performed simultaneously by the offsetting principle. The system calculates the volume of the bonds under distribution by each participant, as well as the amount of funds, transferrable to the issuer, taking into consideration the existence on the depo accounts of the auction participants (in case of the agent – separated by own and cumulative for investors') of the volume of bonds, subject to repayment simultaneously with the underwriting as of that day; and on the day of repayment the system performs the necessary transfers to the money and depo accounts.

55. The bonds, subject to underwriting, and the repurchased bonds, available on the issuer's depo accounts during the repayment of the bonds, are also being transferred to the issuer's depo account of the repaid bonds.

Form 1

of the Procedure "On underwriting of the short-term,
mid-term and long-term Government (Treasury) coupon
bonds of the Republic of Armenia, organization of
the repurchase auction and the repurchase and servicing of repayment"

The collective bulletin of the applications,
allowed to the underwriting auction of the bonds
of _____ issuance

(the number of the issuance)

The volume of competitive bids on acquisition of the bonds (Dram)	The sum, proposed against the mentioned volume	The annual yield of the bonds (%)

The volume of the bonds, subject to underwriting
The date of issuance of the bonds
The date of repayment of the bonds
The total (required) volume of acquisition of the bonds
The total (satisfied) volume of underwriting of the bonds
The marginal annual yield of the bonds
The weighted average annual yield of the bonds
The term of circulation of the bonds
The total volume of the competitive bids
The total volume of the agents' own competitive bids
The total volume of the agents' competitive bids on the investors' expenses
The total volume of non-competitive bids
The volume of the Treasury direct
The total volume of the agents' own non-competitive bids
The total volume of the investors' non-competitive bids

The members of the working group

1. _____
2. _____

"_____" _____ 20____

Form 2

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA

INSTRUCTION

for satisfaction of the applications of purchase of the bonds of the issuance No. _____
(issuance number)
during the auction on "_____" _____ 20_____

1. By this, the issuer instructs the Bank to:
   1) sell the bonds of issuance No._____ to those persons, who have submitted
      (issuance number)
      competitive bids on purchase of those bonds, and the yield, mentioned in the applications is not higher than _____%,

   2) reject all the other competitive bids,
   3) sell the bonds of issuance No._____ to those persons, who have submitted
      (issuance number)
      non-competitive bids on purchase of those bonds, with the weighted average yield of the auction of _____%.

On behalf of the Ministry of Finance of the Republic of Armenia (name, surname)
_____

The instruction was received at _____ o'clock on "____" _____ 20____

On behalf of the Central Bank of the Republic of Armenia (name, surname)
_____

Form 3

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

The principle of proportional distribution

The following values of "A" are being calculated:

$A = Cs - \Sigma R$

$A = Vn_{CS} - \Sigma R$

Cs – the volume of satisfaction of the marginal row "n" of the collective bulletin

Vn_{CS} – the maximum volume of satisfaction of acquisition with non-competitive bids for the participants of the auction

If A=0, then the rounded volumes "R" are being distributed without residue,

If A<0, then those bids of the auction participants are being chosen by the generator of random numbers (GRN), the volumes "R" of which will decrease by the amount of the step,

If A>0, then those bids of the participants are being chosen by the GRN, the volumes "R" of which will increase by the amount of the step.

Example:

The auction participants A1, A2, A3 and A4 have submitted non-competitive bids of acquisition of the bonds with the required volumes of V1, V2, V3 and V4, respectively. "V" is the maximum volume of the bonds, subject to underwriting with non-competitive bids, which should be proportionally distributed among the auction participants A1, A2, A3, A4, thus V<(V1+V2+V3+V4).

a) Let's assume, that the circulation duration is 28 days, V=500,000 AMD, the weighted average yield is 46.6321%, step – 1000 AMD.

No.	Required volume	Yield	The volume to be satisfied	The satisfied volume with the step accuracy	The paid sum (calculated in accordance with the formula, specified in point 3) with one Dram accuracy
A1	70,000	46.6321	42,682.93	43,000	41,495
A2	150,000	46.6321	91,463.41	91,000	87,815
A3	200,000	46.6321	121,951.20	122,000	117,730
A4	400,000	46.6321	243,902.40	244,000	235,460
Total	820,000			500,000	

b) Let's assume that V=98,000 AMD

No.	Required volume	Yield	The volume to be satisfied	The volume to be satisfied, with the step accuracy	The satisfied volume with the use of the generator of random numbers
A1	200,000	46.6321	24,500	25,000	24,000*
A2	200,000	46.6321	24,500	25,000	25,000
A3	200,000	46.6321	24,500	25,000	24,000*
A4	200,000	46.6321	24,500	25,000	25,000
Total	800,000		98,000	100,000	98,000

* - the bids of the 1st and 3rd participants of the auction have been chosen by the GRN, the partially satisfied volumes of which have been deducted by 1000 Drams to comply the whole satisfied volume with the "V"

c) Let's assume that V=385,000 AMD

No.	Required volume	Yield	The volume to be satisfied	The volume to be satisfied, with the step accuracy	The satisfied volume with the use of the generator of random numbers
A1	100,000	46.6321	96,250	96,000	96,000
A2	100,000	46.6321	96,250	96,000	97,000*
A3	100,000	46.6321	96,250	96,000	96,000
A4	100,000	46.6321	96,250	96,000	96,000
Total	400,000		385,000	384,000	385,000

* - the bid of the 2nd participants of the auction has been chosen by the GRN, the partially satisfied volume of which has been added by 1000 Drams to comply the whole satisfied volume with the "V"

If when calculating the sums, payable by each participant against the volumes of the bonds, by technical and/or computer devices, the results differ from the data calculated by the system for up to 1000 Drams, then the calculations provided by the system are considered as correct.

Form 4

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

The Central Bank of the RA, the electronic system of accounting and settlements of securities R001

R E P O R T

about the results of the (n^{th}) auction of the bonds

This Bank is being informed about the result of underwriting of the bonds

1. The auction of underwriting of the issuance has taken place
   The bonds will be repaid

	The number of auction participants	The presented volumes (Drams)
Agent		
Treasury direct		
Total		

2. The total volume of satisfied bids of acquisition of the bonds during the auction has been _____
3. The issuer has defined the maximum yield of satisfaction of competitive bids _____
4. The income from the underwriting of the bonds has been _____
5. The bonds, acquired by the participants during the auction of underwriting of the bonds, has been

The name of the participant of the auction	Has been acquired by competitive bids		Has been acquired by non-competitive bids	
	Volume (AMD)	Paid sum (AMD)	Volume (AMD)	Paid sum (AMD)

6. The income has been accrued to the account of the Ministry of Finance of the RA on "_____" _____ 20_____

On behalf of the Central Bank _____ _____

(signature) (name, surname)

The report was accepted on "_____" _____ 20_____

On behalf of the Ministry of Finance of the RA _____ _____

(signature) (name, surname)

Form 5

of the Procedure "On underwriting of the short-term,
mid-term and long-term Government (Treasury) coupon
bonds of the Republic of Armenia, organization of
the repurchase auction and the repurchase and servicing of repayment"

The Central Bank of the RA, the electronic system of accounting and settlements of securities R003

R E P O R T

about the results of the auction as of _____ of
(day/month/year)

underwriting of the _____ bonds

The name of the participant of the auction	The presented volume of the bonds	The satisfied volume of the bonds	Annual yield	Status
Competitive bids				
Total				
Non-competitive bids				
Total				

NCM non-satisfied competitive bid
SCM satisfied competitive bid
SCP partially satisfied competitive bid
SNC satisfied non-competitive bid
SNP partially satisfied non-competitive bid

Prepared on day/month/year hour:minute:second

Form 6

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

The Central Bank of the RA, the electronic system of accounting and settlements of securities R004

R E P O R T

about the results of underwriting of the bonds in the period

from _____ till _____

(day/month/year) (day/month/year)

The state registration number of the securities			
The date of issuance of the securities			
The next number (N/N) and date of the securities auction			
The volume of securities, subject to underwriting			
The volume of the bid of the securities	Armenian Drams		
	% in the volume of underwriting		
The annual yield (%) of competitive bids of acquisition of securities	minimum		
	maximum		
	marginal		
The sum, received from the underwriting of the securities			
The underwritten volume of securities (Armenian Drams)	Agents' own	Competitive	
		Non-competitive	
	Agents' investors	Competitive	
		Non-competitive	
	Total		
Weighted average annual yield of the securities (%)			

Prepared on day/month/year hour:minute:second

Form 7

of the Procedure "On underwriting of the short-term,
mid-term and long-term Government (Treasury) coupon
bonds of the Republic of Armenia, organization of
the repurchase auction and the repurchase and servicing of repayment"

The collective bulletin of the applications,
allowed to the repurchase auction on _____
(day/month/year)
of the bonds of _____ issuance
(the number of the issuance

The volume of competitive bids on sale of the bonds (Dram)	The sum, subject to payment against the mentioned volume (Dram)	The annual yield of the bonds (%)

The volume of the bonds, subject to repurchase
The date of the repurchase auction of the bonds
The date of repayment of the bonds
The total volume of the bid of the bonds, subject to sale
The total volume of the repurchased bonds
The marginal annual yield of the bonds
The weighted average annual yield of the bonds
The term of circulation of the bonds
The total volume of the agents' own competitive bids
The total volume of the agents' competitive bids on the investors' expenses

The members of the working group

1. _____
2. _____

"_____" _____ 20____

Form 8

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

THE CENTRAL BANK OF THE REPUBLIC OF ARMENIA

INSTRUCTION

for satisfaction of the applications of repurchase of the bonds of the issuance No. _____
(issuance number)
during the repurchase auction on "_____" _____ 20_____

1. By this, the issuer instructs the Bank to:
   1) purchase the bonds of issuance No._____ from those persons, who have
      (issuance number)
      submitted competitive bids on purchase of those bonds, and the yield, mentioned in the applications is not lower than _____%,

   2) reject all the other competitive bids,

On behalf of the Ministry of Finance of the Republic of Armenia (name, surname)
_____

The instruction was received at _____ o'clock on "____" _____ 20____

On behalf of the Central Bank of the Republic of Armenia (name, surname)
_____

Form 9

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

The Central Bank of the RA, the electronic system of accounting and settlements of securities

R E P O R T

about the results of the repurchase auction of the bonds

With this, the Bank informs about the result of the repurchase auction of the bonds

1. The repurchase auction has taken place
   The number of the participants of the auction _____
   The repurchase volume of the bonds, announced by the issuer _____
   The volumes, submitted by the participants (Dram) _____

2. The total volume of satisfied bids of sale of the bonds during the auction has been _____
3. The issuer has defined the marginal yield of satisfaction of competitive bids _____
4. The sum, paid to the participants as a result of repurchase of the bonds, has been _____
5. The bonds, sold by the participants during the repurchase auction of the bonds, has been

The name of the participant of the auction	Has been sold by competitive bids	
	Volume (AMD)	Paid sum (AMD)

6. The paid sum has been withdrawn from the account of the Ministry of Finance of the RA on "_____" _____ 20_____

On behalf of the Central Bank _____ _____
(signature) (name, surname)

The report was accepted on "_____" _____ 20_____

On behalf of the Ministry of Finance of the RA _____ _____
(signature) (name, surname)

Form 10

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

The Central Bank of the RA, the electronic system of accounting and settlements of securities

R E P O R T

about the results of the repurchase auction as of _____ of

(day/month/year)

of the bonds of _____ issuance

The name of the participant of the auction	The presented volume of the bonds (Dram)	The satisfied volume of the bonds (Dram)	Annual yield (%)	Status
Total				

NCM non-satisfied competitive bid

SCM satisfied competitive bid

SCP partially satisfied competitive bid

Prepared on day/month/year hour:minute:second

Form 11

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

The collective bulletin of the applications,
submitted for organization of the repurchase on _____
(day/month/year)
of the Government bonds of _____ issuance
(the number of the issuance)

Submitted applications

The volume of bonds (Dram)	The price of repurchase of the bonds (Dram)	The annual yield of the bonds (%)
Total		

The members of the working group

1. _____
2. _____

"_____" _____ 20____

Form 12

of the Procedure "On underwriting of the short-term, mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia, organization of the repurchase auction and the repurchase and servicing of repayment"

R E P O R T

about organization of repurchase of the Government bonds on issuance _____

With this, the Bank informs about the result of organization of repurchase of the bonds of issuance _____

1. The repurchase of the issuance has taken place
2. The issuer has defined the yield of satisfaction of the applications on _____%
3. The number of agents, participating in the repurchase - _____
4. The nominal value of the applications on repurchase of the bonds - _____ Drams
5. The sum, paid to the participants as a result of repurchase of the bonds, has been _____
6. The bonds, returned by the agents as a result of the repurchase of the bonds of the _____ issuance, has been

The name of the participant	Nominal value (AMD)	The sum, paid to the participant (AMD)

7. The paid sum has been withdrawn from the account of the Ministry of Finance of the RA on "_____" _____ 20_____

On behalf of the Central Bank _____ _____

(signature) (name, surname)

The report was accepted on "_____" _____ 20_____

On behalf of the Ministry of Finance of the RA _____ _____

(signature) (name, surname)

(The Appendix was supplemented by Resolution No. 279-N as of 10.12.13)

Appendix 2
Approved by the Resolution of the Board of
the Central Bank of the Republic of Armenia
No. 142-N as of June 7, 2013

PROCEDURE ON
CUSTODY ACTIVITY OF THE GOVERNMENT BONDS OF THE REPUBLIC OF ARMENIA

CHAPTER 1. GENERAL PROVISIONS

1. The Procedure on Custody activity of the Government bonds of the Republic of Armenia (hereinafter, Procedure) defines the conditions, requirements of Custody activity of the Government bonds, the general rules of registration of Custody.

2. This Procedure applies to all those persons, who, pursuant to the acting legislation of the Republic of Armenia, are authorized to perform Custody activity of Government bonds.

3. For the meaning of this Procedure, those bonds are considered as Government bonds of the Republic of Armenia (hereinafter, bonds), which have been issued by the Ministry of Finance of the Republic of Armenia, in accordance with the procedures "On servicing of underwriting, circulation and repayment of the short-term Government (Treasury) bonds of the Republic of Armenia" and "On servicing of underwriting, circulation and repayment of the mid-term and long-term Government (Treasury) coupon bonds of the Republic of Armenia", approved by the Government of the Republic of Armenia, as well as the securities issued and circulated afterwards, if pursuant to the legal acts, regulating the circulation of those securities, it is defined that the Custody of the given securities should be performed in accordance with this Procedure.

4. The main concepts, used in this Procedure, are the followings:
   1) Bank – the Central Bank of the Republic of Armenia,
   2) Issuer – The Ministry of Finance of the Republic of Armenia,
   3) Agent – a sub-custodian, who has a status of the agent in the bonds market, pursuant to the contract, signed with the Issuer and the Bank,
   4) The Treasury direct – a system of direct sale of the bonds, registration and servicing of the bonds, belonging to the investors, by the authorized body of the Government of the Republic of Armenia,
   5) Investor – any legal or natural entity, who acquires bonds by the property right,
   6) The Central Depository – pursuant to the Law of the Republic of Armenia "On securities market",
   7) Nominee - the person on whose name the nominal securities owned by other persons are registered without transfer of ownership rights,
   8) The securities account of the nominee – a special type of securities account, on which the securities, owned by other persons, are registered on name of the nominee. The securities registered in the securities account of the nominee shall

not be included in the liquidation means of the nominee, in the case of the liquidation of the nominee. At the time of implementing the rights, stipulated by the securities (securities-driven), the nominee shall be obliged to follow the instructions of the customer (owner of the security).

(Point 4 was edited by Resolution No 279-N as of 10.12.13)

5. The Custody activity of the bonds is the activity of registration and transfer of the rights towards the bonds and driven by bonds. The Custody activity also includes those services, specified by this Procedure and Custody contract, which stimulate the implementation of the rights, specified by the bonds, including the receipt of discounts, coupons income, interests, sums of the repayable bonds.

6. The official stipulation of the rights, embedded by the bonds, as well as the transfer, reservation and limitation of those rights are being implemented by making respective records about the bonds on the depo accounts, maintained by the Custodian and sub-custodians.

(Point 6 was amended by Resolution No. 279-N as of 10.12.13)

7. The function of the Custodian is being performed by the Bank, and the functions of the sub-custodians – by the persons, providing investment services, which have signed the sub-custodian contract with the Custodian, as well as by the Treasury direct and the Central Depository. The functions of the sub-custodian may be also performed by those organizations, which have signed the sub-custodian contract with the Custodian, and which, pursuant to the procedure specified by legislation of the Republic of Armenia, are allowed to perform custody services of securities in the securities market. The sub-custodian may open and maintain also securities accounts of the nominee. The recordings, maintained by the Custodian and sub-custodians, embed the persons' rights towards the bonds and driven by the bonds, until otherwise is proved in the Court.

(Point 7 was supplemented by Resolution No. 279-N as of 10.12.13)

8. The Central Depository, as a sub-custodian, performs the functions of the sub-custodian, specified by this Procedure, only for the investors or nominees. The provisions about having securities and participating in the initial auction by the sub-custodian on its own interest do not apply to the Central Depository.

(Point 8 was supplemented by Resolution No. 279-N as of 10.12.13)

9. The customers of the Custodian are:

1) the sub-custodians,
2) the issuer,
3) the commercial banks, which are not sub-custodians and which own the bonds by the ownership right,
4) other parties, on discretion of the Board of the Bank.

10. The investors, which are the owners of the bonds, are the customers of the sub-custodians. The pledgee or the nominee of the bonds may also be the customer of the sub-custodian.

(Point 10 was supplemented by Resolution No. 279-N as of 10.12.13)

CHAPTER 2. THE CONDITIONS OF PERFORMING CUSTODY ACTIVITY

11. The Custody activity may be performed only by the persons, specified in point 7 of this Procedure.

12. The Custody activity is being performed, in accordance with this Procedure, as well as the Custody contract, signed with the customer.

13. The sub-custodian provides Custody services and opens depo accounts on the customer's name, based on the Custody contract, signed with the customer. The Custody contract is being signed after submission of the documents, specified by the legislation of the Republic of Armenia (if this is not specified, then the documents, specified by the sub-custodian) by the customer to the sub-custodian. The Custody contract should be signed in the written form.

14. Without existence of the Custody contract, the depo account on the name of the customer may be opened only in case of transfer of the bonds of the customers of the sub-custodian to another sub-custodian in case of termination of activities of the sub-custodian; or in case of transfer of the bonds with the ownership right to the customer in case when the depo account of the customer is not known. But operations with those accounts may be performed on after signing the Custody contract with the customer.

15. The Custody contract should mandatory include the following provisions:

1) The procedure of providing instructions to the sub-custodian by the customer for performing operations with the bonds,
2) The terms of implementation of the instructions by the sub-custodian,
3) The list of documents, provided to the customer, and the procedure of their provision,
4) The authorities, obligations and responsibilities of the sub-custodian, specified by this Procedure,
5) The authorities and obligations of the customer,
6) The expiration term of the contract, the procedure of amending and terminating the contract,
7) Reference to the main conditions of Custody activity, specified by the sub-custodian, in accordance with point 18 of this Procedure.

15.1. In the contract, signed between the Central Depository (as a sub-custodian) and its customers, a reference should be included to the rules of activity of the Central Depository's Securities accounting and settlements united system.

(Point 15.1 was added by Resolution No. 279-N as of 10.12.13)

16. Besides the provisions, mentioned in this point, the Custody contract may include other provisions as well.

17. The signing of the Custody contract and opening of the depo account does not require the immediate entering of the bonds on the depo account.

18. The sub-custodian develops the main conditions of Custody activity of the bonds,

which should include the following provisions:

1) The types of operations, performed with the bonds by the sub-custodian (participation in the initial auctions, implementation the repayments of the bonds, payment of the discount, interest coupon income, repayment of the bonds, sale and purchase, pledge of the bonds, etc.),
2) The procedure of performing the money settlements, related to the operations,
3) The sequence of actions, performed by the customers and the employees of the sub-custodian during the operations,
4) The documents, serving as the ground for the operations,
5) The samples of the documents, filled by the customers of the sub-custodian, as well as provided to the customers,
6) The maximum terms of performing the operations,
7) The fees and rates, defined for the Custody service, provided to the customer,
8) The procedure and terms of providing the excerpts of the customers' depo accounts, providing reports (statements) to the customers about the performed operations, as well as the documents, proofing the rights, specified by the bonds,
9) The procedure of informing the customers in case of termination of Custody activity by the sub-custodian and the procedure of transfer of the rights, specified by the customers' bonds to another sub-custodian.

19. The main conditions of Custody activity of the bonds are public and should be accessible for the beneficiaries.

20. The main conditions of Custody activity of the bonds are the indivisible part of the Custody contract, signed between the sub-custodian and the customer. The sub-custodian informs the customers about the amendments, made in the main conditions, not later, than in a two-week period before their entering into force.

21. The sub-custodian develops and approves also an internal working order, which defines:

1) The internal rules of opening, maintenance, closing of depo accounts by the units and (or) employees of the sub-custodian, as well as performing operations with the depo accounts, processing of the documents, provision of information; the procedure of depo accounting,
2) The procedures, ensuring the security, completeness and backup saving of the data, as well as the rules of internal control and the procedures of segregation of authorities and ensuring the confidentiality of information, which should exclude the use of information about the customers by the employees of the sub-custodian or third parties to the detriment of the customers' interests,
3) The procedure of examination of the customers' applications, claims,
4) Other provisions, on discretion of the sub-custodian.

21.1. The internal working procedures of the Central Depository, as a sub-custodian, should comply with the rules of activity of the Central Depository's Securities accounting and

settlements united system.

(Point 21.1 was added by Resolution No. 279 as of 10.12.13)

CHAPTER 3. THE REQUIREMENTS ON PERFORMING CUSTODY ACTIVITY

22. The Custodian (sub-custodian) may control the customer's bonds, as well as implement the rights, driven by those bonds, in case if such authority is specified by the Custody contract, as well as based on the written (including electronic) instruction, submitted by the customer or a person authorized by the customer, pursuant to the Custody contract.

23. The sub-custodian has no right to set and control the directions of use by the customer of his/her own bonds, or define other imitations, not specified by the legislation of the Republic of Armenia or the Custody contract, towards the rights of control of the customer's bonds on his/her own discretion.

24. The customer's bonds may not be seized against the obligations of the sub-custodian. In case of bankruptcy of the sub-custodian, the bonds, owned by the customers, may not be included in the liquidity means of the sub-custodian. The own bonds of the sub-custodian may not be seized against the customer's obligations. In case of bankruptcy of the customer, the own bonds of the sub-custodian may not be included in the customer's liquidity means.

25. The sub-custodian does not have right to use its customers' bonds to fulfill its own liabilities, as well as use those bonds as its own as a pledge for its liabilities against other customers or the third parties.

26. The bonds, owned by the sub-custodian with the ownership right, and those owned by the customers are subject to accounting by the sub-custodian in separate depo accounts.

27. All the bonds, owned by the sub-custodian with the ownership right, are subject to mandatory accounting by the Custodian. The bonds, owned by the customers of the sub-custodian, are subject to separate accounting in a summarized form by the Custodian. The data, registered by the Custodian and sub-custodian, should exactly correspond in the summarized form.

27.1. All the bonds, owned by the nominees of the bonds with the ownership right, are subject to mandatory accounting by the sub-custodian. The bonds, owned by the customers of nominee of the bonds, are subject to separate accounting in a summarized form by the sub-custodian. The data, registered by the sub-custodian and the nominee of the bond, should exactly correspond in the summarized form. The sub-custodian should include provisions in the contract, signed with the nominee, according to which the nominee provides sufficient information to the sub-custodian, which is necessary for definition of the status (free, pledged, seized, pledged and seized) of the securities, registered in the nominee's securities account.

(Point 27.1 was added by Resolution No. 279-N as of 10.12.13)

28. The Custodian (sub-custodian) ensures separate accounting of the bonds, owned by each of its customers.

29. The bonds, owned by the customers with the ownership right, are subject to accounting on separate depo accounts from the bonds, which the person, who is not the owner of the bonds, uses, owns or controls based on the authority, specified by the law, or the contract of delegation, the agency contract, the contract of commission agency or the contract of entrustment management, signed with the owner of the bonds. The bonds with the limitations of the right are also subject to separate accounting. The rights of the persons, having property rights towards the bonds other than the ownership rights, are subject to separate accounting.

30. Any operation with the bonds, provided through the sub-custodian, except for the cases, specified by the legal acts regulating the circulation of the bonds, should be reflected in the system of the Custodian. To ensure this provision, when initiating a respective operation with the bonds, the sub-custodian should submit it to the Custodian for performing and receive a confirmation of performance of the operation from the Custodian.

31. The rights and obligations, specified by the bonds, as well as those related to the transactions with the bonds, arise, and the transfer, reservation and limitation of those rights are being performed after their respective record on the depo accounts, maintained by the Custodian (sub-custodian). In case of absence of the recording on the depo account, confirming the respective right, the beneficiary may proof his/her rights by submitting other written arguments, confirming those rights.

32. For performing the record on the respective depo account by the sub-custodian, the confirmation on performance of the operation, received from the Custodian in the agreed form, serves as the basis. The latter confirms that the respective record has been done in the Custodian's depo recording system about stipulation, transfer, termination, reservation or limitation of the rights, embedded by the bonds. This provision does not apply to the cases, specified by the legal acts regulating the circulation of the bonds, when the operations, taking place through the sub-custodian, are not subject to accounting in the Custodian's system.

33. The Custodian (sub-custodian) may perform operations with its customers' bonds only based on the written (including electronic) instructions, specified by the legal acts, regulating the circulation of the bonds (hereinafter, legal acts). The following documents may be considered as an instruction:

1) The depo instructions, filled and submitted in a specified form by the customer or a person, authorized by the customer,
2) The depo instructions, filled and submitted in a specified form by the persons, having rights towards the bonds, as well as other documents, confirming those rights (in cases, specified by legal acts),
3) In case of performing the operations of limitation, transfer, termination of the rights towards the bonds, based on the Court decisions - the Court decrees, the Resolutions of the Compulsory Executor,

34. Without existence of the instruction, the operations with the bonds may be initiated by the Custodian (sub-custodian) only in the cases, specified by the legal acts. In this case, the operation with the bonds is being performed, based on the internal document, developed by

the officials of the Custodian (sub-custodian).

35. On request of the customer, the Custodian (sub-custodian) provides a statement about the bonds, owned by its customer. The statement, provided by the sub-custodian to the investor, is a document, confirming the investor's ownership rights, specified by the bonds. In case of existence of rights, other than the ownership right towards the investor's bonds, the sub-custodian provides documents, confirming those rights, to the owners of those rights.

36. In case of termination of the Custody contract, signed with the customer, or termination of the sub-custody activity, the sub-custodian transfers the customer's bonds to another sub-custodian for accounting, providing exhaustive (comprehensive) information about any rights and limitations towards those bonds, registered by itself.

37. In case of termination of the sub-custody activity, the sub-custodian which is not a commercial bank, transfers its own bonds to another sub-custodian for accounting, providing exhaustive (comprehensive) information about any rights and limitations towards those bonds, registered by itself.

38. In case of termination of the sub-custody activity, the bonds owned with the ownership right by the sub-custodian which is a commercial bank, continue to be registered at the Central Bank.

39. The Custodian and sub-custodians perform Custody activity in accordance with the laws of the Republic of Armenia, this Procedure and the contracts, signed with the customers, and bear responsibility for protection of the records of the bonds depo accounts, maintained by themselves; ensuring their confidentiality; submission of reliable data about those records; violation of the conditions, requirements of implementation of the Custody activity, specified by this Procedure, and the procedure of depo accounting. In case of violation of the requirements of this Procedure, the sanctions, specified by the tripartite contract, signed with the issuer and the Custodian, may also apply to the sub-custodian.

39.1. The Central Depository, as a sub-custodian, performs the servicing of the customers in accordance with the rules of activity of the Central Depository's Securities accounting and settlements united system.

(Point 39.1 was added by Resolution No. 279-N as of 10.12.13)

CHAPTER 4. THE DEPO ACCOUNTING SYSTEM

40. To register the ownership and other property rights, confirmed by the securities and driven by the securities, to stipulate, transfer and terminate those rights and to register other operations, the Custodian (sub-custodian) should have a depo accounting system. The depo accounting system may be maintained electronically or in a hard copy.

41. The elements of the depo accounting system are:

1) The documents and (or) instructions, serving as the basis for the operations with the bonds,
2) The depo accounting cards, which are provided to reflect the current situation of the depo accounts and other elements of the depo accounting and other

information, describing those elements,

3) The registries of depo accounting, which include successive recordings and are provided for registration of implementation of the operations with the bonds and the changes in the elements of the depo accounting,
4) Extracts, reports, confirmations and (or) rejections, which include information about the results of implementation of the instructions, the situation of depo accounts, depo accounting cards and registries.

42. The depo accounting is being performed with the nominal value of the bonds.

43. To ensure the depo accounting, the Custodian (sub-custodian) maintains depo accounts, depo accounting cards, registries and keeps other documents related to the depo accounting, specified by its internal legal acts.

44. The Custodian (sub-custodian) maintains the following types of depo accounting cards:

1) The card of bond issuance,
2) Customers' card,
3) Depo account card,
4) The card of registration of the property rights towards the bonds, other than the ownership right.

45. The Custodian (sub-custodian) maintains the following types of depo accounting registries:

1) The registry of the received instructions,
2) The registry of operations,
3) The registry of the sent extracts and reports, where all the reports, confirmations, extracts, sent by the Custodian (sub-custodian), are being registered.

46. All the instructions, received by the Custodian (sub-custodian), should be reflected in the registry of instructions.

47. The information about all the operations, performed and (or) being in the process of performance by the Custodian (sub-custodian), should be reflected in the registry of operations.

48. After performing any operation in the depo accounting system a report and (or) confirmation on performance of the operation should be provided to all the persons, mentioned in the process of implementation of the given operation.

49. The report and (or) confirmation on the performance of the operation is an official document, provided by the Custodian (sub-custodian), which serves as a basis for the recipient to perform respective recordings and accounting entries in his/her accounting system.

50. The information about all the provided reports and (or) confirmations should be registered in the registry of reports.

51. To satisfy the conditions and requirements of Custody activity, specified by this Procedure and other legal acts, the Custodian (sub-custodian) may also include other items in

its depo accounting system.

(Appendix was edited, supplemented, amended by Resolution No. 279-N as of 10.12.13)

Appendix 3
Approved by the Resolution of the Board of
the Central Bank of the Republic of Armenia
No. 142-N as of June 7, 2013

PROCEDURE ON IMPLEMENTATION OF ACTIVITIES, RELATED TO THE PLEDGE OF GOVERNMENT BONDS OF THE REPUBLIC OF ARMENIA

CHAPTER 1. GENERAL PROVISIONS

1. The procedure on activities, related to the pledge of Government bonds of the Republic of Armenia (hereinafter, the Procedure), defines the procedures of pledge of the Government bonds of the Republic of Armenia (hereinafter, bonds), the termination of the pledge of the bonds, as well as the procedures of circulation and repayment of the pledged bonds within the territory of the Republic of Armenia.

2. This Procedure applies to all those bonds, which have been issued by the Ministry of Finance of the Republic of Armenia in accordance with the Resolution of the Government of the Republic of Armenia No. 1580-N as of December 27, 2007, as well as to other Government securities, issued and circulated afterwards, if it is specified by the legal acts, regulating the circulation of the given securities, that this Procedure applies to the given securities.

3. The main concepts, used in this Regulation, are the followings:
   1) Bank – the Central Bank of the Republic of Armenia,
   2) Issuer – the Ministry of Finance of the Republic of Armenia,
   3) Custodian – the person, bearing the responsibility against the issuer of servicing of underwriting, circulation and repayment of the bonds, as well as keeping and accounting the global certificate of the bond issuance and performing the Custody activity. The Bank performs the functions of the Custodian,
   4) Sub-custodian - a person or persons, performing Custody activity, who, by separate investors, register the bonds, belonging to the latter by the property rights. For the meaning of this Procedure, the sub-custodians are persons, providing investment services, which have signed the sub-custodian contract with the Custodian, as well as the Central Depository. The functions of the sub-custodian may be also performed by those organizations, which have signed the sub-custodian contract with the Custodian, and which, pursuant to the legislation of the Republic of Armenia, are allowed to perform custody services of securities in the securities market. The sub-custodian may open and maintain also securities accounts of the nominee. For the meaning of this Procedure, the Treasury direct is not considered as a sub-custodian. In order to pledge their bonds, the investors of the Treasury direct should transfer them beforehand to

the sub-custodian for custody,

5) Agent - a sub-custodian, who has a status of the agent in the bonds market, pursuant to the contract, signed with the Issuer and the Bank,
6) The Treasury direct - a system of direct sale of the bonds, accounting and servicing of the bonds, belonging to the investors, by the authorized body of the Government of the Republic of Armenia,
7) Investor - any legal or natural entity, who is the owner of the bonds and whose bonds are accounted by the sub-custodian,
8) Commercial bank – a bank, operating within the territory of the Republic of Armenia, which is not considered as a sub-custodian of bonds. The bonds, belonging to the commercial bank with the ownership right, are accounted by the Custodian,
9) Initiation of the operation – the submission of the depo instruction and (or) other documents, specified by this Procedure, to the sub-custodian (Custodian), based in which the implementation of the given operation starts,
10) Checking of validity of the depo instruction – the checking of the submitted depo instruction by the sub-custodian (Custodian), during which the accuracy of fulfillment of the depo instruction and its submission by a person with respective authority are being checked,
11) Respective accounting entries – the accounting entries, defined for the given operation, in accordance with the "Procedure on accounting of the bonds in the system of accounting and settlements of the Government securities", approved by the Bank,
12) Other recordings of the pledge right – the recordings, other than the accounting entries with the depo accounts in the depo accounting system of the sub-custodian (Custodian), which ensure the accounting of the respective pledgee's rights, related to the operation of the given pledge,
13) Nominee - the person on whose name the nominal securities owned by other persons are registered without transfer of ownership rights,
14) The securities account of the nominee – a special type of securities account, on which the securities, owned by other persons, are accounted on name of the nominee. The securities accounted in the securities account of the nominee shall not be included in the liquidation means of the nominee, in the case of the liquidation of the nominee. At the time of implementing the rights, stipulated by the securities (securities-driven), the nominee shall be obliged to follow the instructions of the customer (owner of the security).
15) The Central Depository – pursuant to the Law of the Republic of Armenia "On securities market",

(Point 3 was amended, supplemented by Resolution No. 279-N as of 10.12.13)

4. Only the natural or legal person, including the investor, commercial bank, sub-custodian, who is the owner of the bonds, may be the pledger of the bond.

5. Any natural or legal person may act as a pledgee of the bond. If the pledgee does not have a depo account at any sub-custodian, then before signing the pledge contract he/she/it should open a depo account for bonds at the sub-custodian, servicing the pledger, or at any other sub-custodian on its discretion, which will allow to further identify the pledgee and the sub-custodian, servicing the latter.

5.1. The Central Depository, as a sub-custodian, perform the operations, related to the pledge, in accordance with the rules of activity of the Central Depository's Securities accounting and settlements united system.

(Point 5.1 was added by Resolution No. 279-N as of 10.12.13)

6. Only those bonds may be a subject of pledge, towards which the rights of the pledgee are not limited (the bonds, available at the depo account of free securities), and with which the operations of pledge may be performed, in accordance with the legislation of the Republic of Armenia.

7. The pledge of the bonds may be performed only by signing a written contract between the pledger and the pledgee, in accordance with the legislation of the Republic of Armenia, and registering the rights of the pledge towards the bonds, pursuant to this Procedure. The operations, related to the pledge of the bonds, may be performed only through the sub-custodian (Custodian), fixing the ownership right towards the bonds. The right of pledge towards the bonds arises from the moment of its registration by the sub-custodian (Custodian).

8. The registration of the right of pledge towards the bonds and performance of all operations, related to the pledge, are being ensured by making respective records in the depo accounts by the Custodian and sub-custodian, in accordance with the below-mentioned rules, and by registering the right of pledge:

1) The Custodian (sub-custodian), directly servicing the pledger, performs the accounting of the bonds by individual pledgers through the depo account of the latter, "limited by the pledge"; and the Custodian performs the accounting of the pledged bonds of the investors, who are pledgers of the sub-custodians, in a summarized way through the "limited by the pledge" depo account of the investors, maintained by the Custodian,
2) The sub-custodian, directly servicing the pledger (pledgee), performs the accounting of the pledge right by individual pledgers, pledgees and the issuance numbers of the bonds, subject to the pledge; and the Custodian performs the accounting of the pledge rights of the investors of the sub-custodians in a summarized way by the sub-custodians of the pledgers and the pledgees and the numbers of separate issuance of the bonds,
3) The sub-custodian performs the entry of the respective operation (recording of the pledge right) based on the documents received from the Custodian, certifying the implementation of the operation,
4) During the pledge of the bonds, the debtor of the main liability against the pledgee or a third party may act as a pledger. The custody system does not

perform the accounting of the debtor and the main liability,

5) The registration of the right of pledge towards the bonds and performance of the operations, related to the pledge, are being performed by the Central Depository, in accordance with the rules of activity of the Central Depository's Securities accounting and settlements united system.

(Point 8 was amended, supplemented by Resolution No. 279-N as of 10.12.13)

9. The following activities, related to the pledge, may be performed with the bonds:
   1) Pledge of the bonds, as a result of which the right of the pledger to freely control the bonds is being limited, and the pledge right of the pledgee arises towards the pledged bonds. The pledge of the bonds may be performed by counter-transferring the money funds, when the provision of the loan by the pledgee is being performed simultaneously with the pledge of the bonds, or without counter-transferring the money funds, when the pledge of the bonds is not being followed by the simultaneous provision of the loan by the pledgee.
   2) Termination of the pledge, as a result of which the right of the pledger to freely control the pledged bonds is being resumed, and the pledge right of the pledgee towards those bonds is being terminated. The termination of the pledge of the bonds may be performed by counter-transferring the money funds, when the repayment of the loan by the pledger is being performed simultaneously with the termination of the pledge of the bonds, or without counter-transferring the money funds, when the termination of the pledge of the bonds is not being followed by the simultaneous repayment of the loan by the pledger.
   3) Renunciation of the right of pledge in favor of the pledgee, as a result of which the ownership right of the pledger towards the pledged bonds terminates, and the latter are being transferred to the pledge's ownership without applying to the Court.
   4) Satisfaction of the pledgee's claims at the expense of the sum of realization of the pledged bonds, as a result of which the pledger sells the bonds to a third party and satisfies the pledgee's claims from the received funds of realization.
   5) Replacement of the subject of pledge, as a result of which the pledge towards the bonds, subject to pledge, terminates and bonds of other issuance are being pledged instead.
   6) Change of the pledger, as a result of which the ownership right towards the pledged bonds is being transferred to another party (new pledger), reserving the pledge right of the pledgee towards the pledged bonds.
   7) Change of the pledgee, when as a result of change of the creditor of the main liability, the pledge right of the pledgee is being transferred to another party, reserving the ownership right of the pledger towards the pledged bonds.
   8) Seizure of the pledged bonds, as a result of which the disposition of the bonds by any party is being prohibited, preserving the ownership right of the pledger towards the pledged bonds and the pledge right of the pledgee towards the

pledged bonds; and allowing to perform operations with the seized bonds only with the Court Decree or a Resolution of the Compulsory Executor.

9) Removal of the pledged bonds from the seizure, as a result of which the bonds are being removed from the seizure, and the bonds may be disposed pursuant to the rules, defined for the pledged bonds.
10) Transfer of the pledged bonds, as a result of which, based on a judicial act, the ownership and/or pledge rights towards the bonds, existing before the seizure, may be restored; or the old ownership and (or) pledge rights may be terminated and new ones be registered.
11) Repayment of the pledged bonds, as a result of which, pursuant to the conditions of issuance of the bonds, the repayment of the pledged bonds is being performed, all the rights towards the pledged bonds are being terminated, and respective property rights occur towards the funds, occurred as a result of repayment.
12) Payment of interests for the pledged bonds, as a result of which, pursuant to the conditions of issuance of the bonds, the bonds' interest or coupon income is being paid to the bonds owners.
13) The Central Depository performs the operations, related to the pledge, in accordance with the rules of activity of the Central Depository's Securities accounting and settlements united system.

(Point 9 was supplemented by Resolution No. 279-N as of 10.12.13)

10. Pledge of the bonds, termination of the pledge, transfer of the subject of the pledge, satisfaction of the pledgee's claims at the expense of the sum of realization of the pledged bonds may be performed only within the balance of the respective depo account (free or pledged), maintained by the Custodian (sub-custodian, servicing the pledger).

11. The pledge of the bonds against the simultaneous provision of the loan by the pledgee, as well as the termination of the ledge of the bonds against the simultaneous repayment of the loan by the pledger may be performed only in case, when the debtor of the main liability and the pledger are the same person and the main liability is a monetary liability, denominated in Armenian Drams. The settlements, related to the operation mentioned in this point, are being performed pursuant to the rules, defined for the settlement by the "delivery against the payment" principle.

12. On the day of the bonds repayment no any operation, related to the pledge of the bonds, may be performed until the end of the repayment process.

13. The operation, related to the pledge, dependent from the type of operation, may be initiated by the pledger, pledgee, Compulsory Executor and (or) the Court or by the pledger and the pledgee simultaneously. Operations, related to the pledge, are being performed by the Custodian (sub-custodian or custodian), directly servicing the pledger (pledgee), on the performance day, mentioned in the depo assignment, received from the pledger (pledgee); and in case of initiation by the Compulsory Executor – within the terms, specified by this Procedure.

14. The operations, related to the pledge, may be performed among any parties, mentioned in points 4 and 5 of this Procedure (different investors of the same sub-custodian, sub-custodian and its investor, investor and other sub-custodian, two different sub-custodians, commercial banks, commercial bank and sub-custodian, commercial bank and the investor of sub-custodian) pursuant to the procedures, specified by this Procedure. The procedures apply also to the operations, related to the pledge of the bonds, performed by the Central Bank of the Republic of Armenia, both the own ones and the ones, performed with its investors' assignments.

15. For performance of operations, related to the pledge of bonds, for the sub-custodian, the followings can serve as a basis: the respective depo assignment, submitted in a way agreed by its investor; or the enforcement act (Court Decree), submitted by the Compulsory Executor (Court) pursuant to legislation of the Republic of Armenia; in cases, specified by this Procedure - other documents. For performance of operations, related to the pledge of bonds, for the Custodian, the followings can serve as a basis: the respective depo assignment, submitted by the commercial bank or the sub-custodian (including, by assignment of its investors); or the enforcement act (Court Decree), submitted by the Compulsory Executor (Court) pursuant to legislation of the Republic of Armenia; in cases, specified by this Procedure - other documents. The depo assignments are being submitted to the Custodian pursuant to the procedure, defined by the Custodian. If bonds of different issuance have been pledged by the same pledge contract, then for performing operations, related to the pledge, separate depo assignments are being submitted by each bond issuance.

16. The rights, emerging from operations of pledge of bonds, termination of pledge, renunciation of the subject of the pledge, repayment of the pledged bonds; the change of parties of rights and responsibilities, by the pledge contract, enter into force for the pledgers, pledgees and third parties from the moment of making the respective records about it by the Custodian and informing (sending confirmation) about it the respective servicing sub-custodian.

17. The custodian (sub-custodian), directly registering the right of pledge, is obliged to provide a statement to the pledgee, who is its customer, about the bonds, pledged in favor of the pledgee. The custodian (sub-custodian), servicing the pledger, is obliged to provide a statement to the pledger, who is its customer, about the bonds, pledged by the pledger, as well as an excerpt from the depo account of the pledged bonds. The statements are documents, certifying the pledge right towards the bonds. The Custodian (sub-custodian), directly servicing the pledger, is responsible for proper recording of the pledge right.

CHAPTER 2. PLEDGING THE BONDS

18. In case of operation of pledging the bonds, the bonds are being transferred from the pledger's free depo account to the pledger's pledged depo account, by registering the pledgee's right of pledge towards those bonds. If pledging the bonds is being followed by a transfer of money funds (pledge of the bonds with a counter-transfer of money funds), then

the transfer of money funds from the pledgee to the pledger is also being performed simultaneously.

19. The operation of pledging the bonds without counter-transferring the money funds are being performed in the following conditions:

1) The pledging of the bonds in favor of the pledgee is not simultaneously followed by provision of a loan, denominated in Armenian Drams, from the pledgee to the pledger.
2) The pledger is the one who initiates the pledge of the bonds.
3) If the initiator of the operation is an investor, then he/she submits a depo assignment of pledging the bonds, other documents (contract of pledge, etc.), specified by the main conditions of custody activity of the sub-custodian to the servicing sub-custodian.
4) The sub-custodian of the pledger performs a respective checking of the submitted assignment, which includes the checking of validity of the depo assignment and the existence of necessary volume of bonds on the free bonds depo account of the investor-pledger. If the result of checking, performed by the sub-custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian accepts it for performance and submits a respective depo assignment to the Custodian.
5) When receiving the depo assignment, the Custodian performs respective checking, which includes the checking of validity of the depo assignment and the existence of necessary volume of bonds on the respective free bonds depo account. In case of the positive result of the checking, the Custodian performs respective accounting recordings and other recordings of the right of pledge. Then, the Custodian sends a confirmation of operation to the sub-custodian, servicing the pledger; and submits an example of the depo assignment, received from the pledger's sub-custodian, to the sub-custodian, servicing the pledgee, which verifies the fact of implementation of the given operation. After the end of the operational day, the Custodian sends an excerpt to the pledger's sub-custodian from the respective depo-accounts, for which an account turnover has taken place.
6) Based on the documents, received from the Custodian, the sub-custodian, servicing the pledger, performs respective recordings (accounting recordings) in the depo accounting system, maintained by itself, after which the operation is being considered as performed; and the pledgee and the pledger are being informed about performance of the operation by defined documents (statement, excerpt).
7) If the result of checking, performed by the Custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline, and the operation is being considered as

declined.

8) If the pledger is a commercial bank or a sub-custodian, then it submits the depo assignment of pledging directly to the Custodian, which acts pursuant to the procedures, specified in sub-points 5, 6, 7 of this point.

20. The operations of pledging the bonds with counter-transferring the money funds are being performed in the following form:

1) The operation of pledging the bonds with counter-transferring the money funds is being performed in case, when the provision of the loan, denominated in Armenian Drams, by the pledgee to the pledger and the pledging of bonds by the latter in favor of the pledgee are being performed simultaneously,
2) The operation of pledging the bonds with counter-transferring the money funds is being initiated simultaneously by the pledger and the pledgee,
3) The pledger and the pledgee submit their servicing sub-custodians with the "Assignment of pledging the bonds" and "Assignment of accepting the pledge of bonds" respectively, and other documents, specified by the main conditions of custody activity of the sub-custodian,
4) The sub-custodian of the pledger (pledgee) performs a respective checking of the submitted assignment. Moreover, the checking, performed by the sub-custodian of the pledger, includes the checking of validity of the depo assignment and the checking of existence of necessary volume of bonds on the free bonds depo account of the investor-pledger; and the checking, performed by the sub-custodian, servicing the pledgee, includes the checking of validity of the depo assignment and the checking of existence of necessary money funds on the money account of the investor-pledgee, maintained by the sub-custodian; or in case the money account of the pledgee is within another bank – the checking of performance of transfer of respective money funds to the sub-custodian. If the result of checking, performed by the sub-custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian accepts it for performance and submits a respective depo assignment to the Custodian.
5) When receiving the depo assignment, the Custodian performs a checking of validity. In case of invalidity, the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. In case of positive result of the checking, the Custodian searches for the pair assignment, matching the accepted assignment, within the pool of received depo assignments (in the pairing assignment, all the requisites, describing the given operation, have a mirror reflection). When finding the respective pair, the Custodian checks the existence of sufficient volume of the pledging bonds on the respective depo account of the pledger's sub-custodian and the existence of money funds on the money account of the pledgee's sub-custodian, maintained

in a bank. In case of positive result of the checking, the Custodian performs the transfer of money funds to the money account of the pledger's sub-custodian, maintained in a bank, and in the custodian system – respective accounting recordings and other recordings of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian (sub-custodians), servicing the pledgee and the pledger. After the end of the operational day, the Custodian sends an excerpt to the pledger's sub-custodian from the respective depo-accounts.

6) Based on the documents, received from the Custodian, the sub-custodian (sub-custodians) performs respective recordings (accounting recordings) in the depo accounting system, maintained by itself, and the sub-custodian, servicing the pledger, performs a transfer of money funds to the account, mentioned by the pledger, after which the operation is being considered as performed; and the pledgee and the pledger are being informed about performance of the operation by defined documents (statement, excerpt).
7) If the result of checking, performed by the Custodian, is negative, then the depo assignments are not being performed and are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
8) All the depo assignments, the respective pairs of which are not being found by the Custodian within the specified period of time (during the operational day of the Custodian), are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
9) If the pledger and the pledgee are being serviced by the same sub-custodian, then the sub-custodian submits the assignment on pledging the bonds to the Custodian after accepting the pairing depo assignments from the pledger and the pledgee, and money settlements are not being performed by the Custodian, and only depo recordings are being performed.
10) If the pledger and (or) pledgee is a commercial bank or a sub-custodian, then it submits the depo assignment directly to the Custodian, which acts pursuant to the procedures, specified in sub-points 5, 6, 7, 8 and 9 of this point.

CHAPTER 3. TERMINATION OF THE PLEDGE OF BONDS

21. The operation of terminations of the pledge of bonds is being performed in the following cases of termination of the pledge of bonds, specified by legislation of the Republic of Armenia:

1) When the main liability terminates as a result of its fulfillment by the debtor,
2) When while transferring the debt with the liability, pledged by the collateral, to the third party, the pledger has not given his/her consent to the pledgee on bearing responsibility instead of the new debtor.

a. in other cases of termination of the pledge (in cases of sell of the pledged bonds in the public auctions in order of their realization, in cases of being another person as the owner of the bonds in reality), the termination of the right of pledge, the transfer of ownership right towards the bonds is being performed by the operations of confiscation of the bonds.

22. In case of operation of termination of the pledge of bonds, the bonds are being transferred from the pledger's pledged depo account to the pledger's free depo account, by restoring the pledger's right of free control over the pledged bonds and terminating the pledgee's right of pledge towards those bonds. If the termination of pledge of the bonds is being followed by a transfer of money funds (termination of pledge of the bonds with a counter-transfer of money funds), then the transfer of money funds from the pledger to the pledgee is being performed simultaneously.

23. The operation of termination of the pledge of bonds may be performed towards both the whole volume of the pledged bonds and a part of it.

24. The operations of termination of the pledge of bonds without counter-transferring the money funds are being performed in the following conditions:

1) The pledgee initiates the operation of termination of the pledge of bonds without the simultaneous performance by the pledger of the operation of repayment of the main liability (credit), as well as in the cases, specified in sub-point 2 of point 21 of this Procedure.
2) The operation of termination of the pledge of bonds is being initiated by the pledgee, which submits an "Assignment of termination of the pledge of bonds" to its servicing sub-custodian.
3) The sub-custodian of the pledgee performs a respective checking of the submitted documents, which includes the checking of validity of the depo assignment and the existence of necessary volume of respective right of pledge in the depo accounting system (the check of fact of pledging the sufficient volume of bonds by the given pledger in favor of the given pledgee). If the result of checking, performed by the sub-custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian accepts it for performance and submits a respective depo assignment to the Custodian.
4) When receiving the depo assignment, the Custodian performs respective checking, which includes the checking of validity of the depo assignment and the existence of necessary volume of bonds on the respective pledged bonds depo account, as well as the checking of existence of necessary volume of the right of pledge. In case of the positive result of the checking, the Custodian performs respective accounting recordings and other recordings of termination of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian, servicing the pledgee; and submits an example of the depo assignment, received from the pledgee's sub-custodian, to the sub-custodian,

servicing the pledger, which verifies the fact of implementation of the given operation. After the end of the operational day, the Custodian sends an excerpt to the pledger's sub-custodian from the respective depo-accounts.

5) Based on the documents, received from the Custodian, the sub-custodian, servicing the pledger (pledgee), performs respective recordings (accounting recordings) in the custodian system, maintained by itself, after which the operation is being considered as performed; and the pledgee and the pledger are being informed about performance of the operation by defined documents (statement, excerpt).
6) If the result of checking, performed by the Custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline, and the operation is being considered as declined.
7) If the pledgee is a commercial bank or a sub-custodian, then it submits the depo assignment of termination of the pledge directly to the Custodian, which acts pursuant to the procedures, specified in sub-points 4, 5, 6 of this point.

25. The operations of termination of the pledge of bonds with counter-transferring the money funds are being performed pursuant to the rules and procedures, specified in this point:

1) The pledgee initiates the operation of termination of the pledge of bonds, which simultaneously is followed with performance by the pledger of the operation of repayment of the main liability (credit),
2) The operation of termination of the pledge of bonds is being initiated simultaneously by the pledger and the pledgee,
3) The pledger and the pledgee submit their servicing sub-custodians with the "Assignment of terminating the pledge of bonds" and other documents, specified by the main conditions of custody activity of the sub-custodian,
4) The sub-custodian of the pledger (pledgee) performs a respective checking of the submitted documents. Moreover, the checking, performed by the sub-custodian of the pledgee, includes the checking of validity of the depo assignment and the checking of existence of necessary volume of respective right of pledge; and the checking, performed by the sub-custodian of the pledger, includes the checking of validity of the depo assignment, the checking of existence of the necessary volume of bonds in favor of the given pledgee on the pledged bonds depo account of the investor-pledger, the checking of existence of necessary money funds on the money account of the investor-pledger, maintained by the sub-custodian; or in case the money account of the pledger is within another bank – the checking of performance of transfer of respective money funds to the sub-custodian. If the result of checking, performed by the sub-custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the

reason of decline. Otherwise, the sub-custodian accepts it for performance and submits a respective depo assignment to the Custodian.

5) When receiving the depo assignment, the Custodian performs a checking of validity. In case of invalidity, the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. In case of positive result of the checking, the Custodian searches for the pair assignment, matching the accepted assignment, within the pool of received depo assignments. When finding the respective pair, the Custodian checks the existence of sufficient volume of bonds on the respective pledged bonds depo account of the pledger's sub-custodian, as well as the existence of sufficient money funds on the money account of the pledgee's sub-custodian, maintained in a bank. In case of positive result of the checking, the Custodian performs the transfer of money funds to the money account of the pledgee's sub-custodian, maintained in a bank, and at the same time in the custodian system it performs respective accounting recordings and other recordings of termination of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian (sub-custodians), servicing the pledgee and the pledger. After the end of the operational day, the Custodian sends an excerpt to the pledger's sub-custodian from the respective depo-accounts.
6) Based on the documents, received from the Custodian, the sub-custodian (sub-custodians) performs respective recordings in the custodian system, maintained by itself, and the sub-custodian, servicing the pledgee, performs a respective transfer of money funds to the account, mentioned by the pledgee, after which the operation is being considered as performed; and the pledgee and the pledger are being informed about performance of the operation by defined documents (statement, excerpt).
7) If the result of checking, performed by the Custodian, is negative, then the depo assignments are not being performed and are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
8) All the depo assignments, the respective pairs of which are not being found by the Custodian within the specified period of time (during the operational day of the Custodian), are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
9) If the pledger and the pledgee are being serviced by the same sub-custodian, then the sub-custodian submits the assignment on termination of the pledge of bonds to the Custodian after accepting the pairing depo assignments from the pledger and the pledgee, and money settlements are not being performed by the Custodian, and only depo recordings are being performed.
10) If the pledger and (or) pledgee is a commercial bank or a sub-custodian, then it submits the depo assignment directly to the Custodian, which acts pursuant to

the procedures, specified in sub-points 5, 6, 7, 8 and 9 of this point.

CHAPTER 4. RENUNCIATION OF THE BONDS, SUBJECT TO PLEDGE

26. The operation of renunciation of the subject of pledge is being performed in case, when in case of non-fulfillment of the main liability towards the pledgee, the pledger, without applying to the Court, renounces of the bonds (or a part of them), subject to the pledge, by providing them to the pledgee as an ownership. The given operation may be performed only in case when such condition is specified in the pledge contract, verified by a notary, or a separately signed agreement between the pledger and the pledgee, verified by a notary.

27. In case of operation of renunciation of the subject of pledge, the bonds are being transferred from the pledger's pledged depo account to the pledgee's free depo account, by termination of the pledger's ownership right and the pledgee's pledge right towards those bonds and by origination of the pledgee's ownership right.

28. The operation of renunciation of the subject of pledge may be performed both towards the whole volume of the pledged bonds and a part of it.

29. The operation of renunciation of the subject of pledge is being initiated by the pledger.

30. The operation of renunciation of the subject of pledge is being performed in the following way:

1) The pledger submits an "Assignment of renunciation of the pledged bonds in favor of the pledgee" to its servicing sub-custodian.
2) The sub-custodian of the pledger performs a respective checking of the submitted documents, which includes the checking of validity of the depo assignment, the checking of existence of the necessary volume of bonds in favor of the given pledgee on the pledged bonds depo account of the investor-pledger. If the result of checking, performed by the sub-custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian accepts it for performance and submits a respective depo assignment to the Custodian.
3) When receiving the depo assignment, the Custodian checks the existence of necessary volume of bonds on the respective pledged bonds depo account of the pledger's sub-custodian and the existence of necessary volume of the right of pledge. In case of the positive result of the checking, the Custodian performs respective accounting recordings and other recordings of termination of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian, servicing the pledger; and submits an example of the depo assignment, received from the pledger's sub-custodian, to the sub-custodian, servicing the pledgee, which verifies the fact of implementation of the given operation. After the end of the operational day, the Custodian sends an excerpt

to the pledger's sub-custodian and the pledgee's sub-custodian from the respective depo-accounts.

4) Based on the documents, received from the Custodian, the sub-custodian, servicing the pledger (pledgee) performs respective recordings (accounting recordings) in the depo accounting system, maintained by itself, after which the operation is being considered as performed; and the pledgee and the pledger are being informed about performance of the operation by defined documents (statement, excerpt).
5) If the result of checking, performed by the Custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline, and the operation is being considered as declined.
6) If the pledger is a commercial bank or a sub-custodian, then it submits the "Assignment of renunciation of the pledged bonds" directly to the Custodian, which acts pursuant to the procedures, specified in sub-points 3, 4 and 5 of this point.

CHAPTER 5. SATISFACTION OF THE PLEDGEE'S CLAIMS AT THE EXPENSE OF THE SUM OF REALIZATION OF THE PLEDGED BONDS

31. The operation of satisfaction of the pledgee's claims at the expense of the sum of realization of the pledged bonds, without applying to the Court, may be performed in case, when such an operation is specified in the pledge contract, verified by a notary, or a separately signed agreement between the pledger and the pledgee, verified by a notary.

32. The given operation is being performed through two operations: the operation of termination of the pledge, initiated by the pledgee pursuant to the rules and procedures, specified in point 24 of this Procedure; and afterwards, the operation of sale to a third party of the bonds with the terminated pledge by the pledger. The money funds, paid to the pledger as a result of sale of the bonds, are being afterwards transferred to the pledgee by the pledger.

CHAPTER 6. REPLACEMENT OF THE SUBJECT OF THE PLEDGE

33. The operation of replacement of the bonds, serving as a subject of pledge, is being performed in case, when such bonds have been pledged by the pledge contract, the repayment (partial repayment) day of which precedes the day of fulfillment of the main liability, specified by the pledge contract; or in other cases, specified by the pledge contract.

34. In case of replacement of the subject of the pledge, the pledge towards the bonds, pledged before (subject to replacement), is being terminated, as a result of which those bonds are being transferred from the pledger's pledged depo account to the pledger's free depo account, by termination of the pledge right of the pledgee towards those bonds; at the

same time, the replacing bonds are being pledged, as a result of which those bonds are being transferred from the pledger's free depo account to the pledger's pledged depo account, by registration of the pledge right of the pledgee towards the replacing bonds.

35. The replacement of the bonds, subject to pledge, may be performed only in case of the pledgee's consent, unless otherwise is specified by the law or the pledge contract.

36. In case of replacement of the subject of pledge, respective amendments should be made in the pledge contract.

37. The operation of replacement of the subject of pledge with the pledgee's consent is being performed pursuant to the rules and procedures, specified in this point:

1) The operation of replacement of the subject of pledge with the pledgee's consent is being initiated by the pledger and the pledgee simultaneously.
2) The pledger and the pledgee submit their servicing sub-custodians with the "Assignment of replacement of the pledge"; the pledger also submits the amended pledge contract,
3) The sub-custodian of the pledger (pledgee) performs a respective checking of the submitted documents. Moreover, the checking, performed by the sub-custodian of the pledgee, includes the checking of validity of the depo assignment and the checking of existence of respective volume of right of pledge, subject to replacement; and the checking, performed by the sub-custodian of the pledger, includes the checking of validity of the depo assignment, the checking of existence of the necessary volume of bonds, subject to replacement, in favor of the given pledgee on the pledged bonds depo account of the investor-pledger, the checking of existence of necessary volume of the replacing bonds on the free depo account of the investor-pledger, maintained by the sub-custodian. If the result of checking, performed by the sub-custodian of the pledger (pledgee), is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. If the result of the checking is positive, then the pledger's sub-custodian accepts it for performance and simultaneously checks the provisions of the respective pledge contract. If the pledge contract specifies a replacement of the subject of the pledge without an additional consent of the pledgee, then the pledger's sub-custodian acts in accordance with the procedures, specified in point 38 of this Procedure. Otherwise, the pledger's sub-custodian submits a respective depo assignment to the Custodian. If the result of the checking is positive, the pledgee's sub-custodian accepts the assignment for performance and submits a respective depo assignment to the Custodian.
4) When receiving the depo assignment, the Custodian performs a checking of validity. In case of invalidity, the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. In case of positive result of the checking, the Custodian searches for the pair

assignment, matching the accepted assignment, within the pool of received depo assignments. When finding the respective pair, the Custodian checks the existence of necessary volume of bonds, subject to replacement, on the respective pledged bonds depo account, and the existence of necessary volume of the right of pledge, as well as the existence of the replacing bonds on the respective free depo account. In case of positive result of the checking, the Custodian performs the respective accounting recordings and other recordings of re-registration of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian (sub-custodians), servicing the pledgee and the pledger. After the end of the operational day, the Custodian sends an excerpt to the pledger's sub-custodian from the respective depo-accounts.

5) Based on the received confirmation, the sub-custodian (sub-custodians) performs respective recordings in the custodian system, maintained by itself, after which the operation is being considered as performed; and the pledgee and the pledger are being informed about performance of the operation by defined documents (statement, excerpt).
6) If the result of checking, performed by the Custodian, is negative, then the depo assignments are not being performed and are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
7) All the depo assignments, the respective pairs of which are not being found by the Custodian within the specified period of time (during the operational day of the Custodian), are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
8) If the pledger and the pledgee are being serviced by the same sub-custodian, then the sub-custodian submits the assignment on replacement of the subject of the pledge to the Custodian after accepting the pairing depo assignments from the pledger and the pledgee.
9) If the pledger and (or) pledgee is a commercial bank or a sub-custodian, then it submits the depo assignment to the Custodian, which acts pursuant to the procedures, specified in sub-points 4, 5, 6, 7 of this point.

38. The operation of replacement of the subject of pledge without the pledgee's additional consent is being performed pursuant to the rules and procedures, specified in this point:

1) The operation of replacement of the subject of pledge without the pledgee's additional consent is being initiated only by the pledger.
2) The pledger submits the "Assignment of replacement of the subject of pledge" to its servicing sub-custodian,
3) The sub-custodian of the pledger performs the checking, specified by sub-point 3 of point 37 of this Procedure. If the result of checking, performed by the sub-

custodian of the pledger, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian checks the provisions of the respective pledge contract. If the pledge contract specifies a replacement of the subject of the pledge without an additional consent of the pledgee, then the pledger's sub-custodian submits the copies of the received assignment and the pledge contract to the pledgee's sub-custodian with an attached note, asking to provide a confirmation of replacement of the subject of pledge. After then, the pledger's sub-custodian submits a respective depo assignment to the Custodian within the terms, agreed with the pledgee's sub-custodian.

4) When receiving the note with the attached documents from the pledger's sub-custodian and ensuring, that the given operation can be performed without the pledgee's consent, the pledgee's sub-custodian submits the "Assignment of replacement of the pledge" to the Custodian. If according to the pledgee's sub-custodian, the given operation cannot be performed without the pledgee's consent, then the sub-custodian is obliged to inform immediately the pledger's sub-custodian about it, after which the disagreements are being resolved directly by the pledger and the pledgee.
5) When receiving the depo assignments from the sub-custodians, the Custodian acts pursuant to the procedures, specified in sub-points 4, 5, 6, 7 of point 37 of this Procedure.

39. If the sub-custodian or the commercial bank is itself a pledger or a pledgee, then it, as well as the Custodian, acts pursuant to the procedures, described in this Chapter.

CHAPTER 7. CHANGE OF THE PLEDGER

40. The operation of change of the pledger is being performed in case, when the pledger's ownership right towards the bonds, pledged pursuant to legislation of the Republic of Armenia, is being transferred to another party.

41. The ownership right towards the pledged bonds may be transferred to another party in cases, specified by legislation of the Republic of Armenia: based on the contract of alienation of property (sale, donation, etc.) or in case of succession. In case of transfer of the ownership right towards the pledged bonds to another party, the pledge right of the pledgee towards the pledged bonds remains in force.

42. In case of change of the pledger, the pledged bonds are being transferred from the pledger's pledged bonds depo account to the pledged bonds depo account of the new pledger, at the same time by respective re-registration of the pledge right to the same pledgee.

43. The pledger may sell or donate the pledged bonds only with the consent of the pledgee, unless otherwise is specified by law of the pledge contract. In case of inheriting the pledged bonds or in case of reorganization of the legal person the consent of the pledgee is

not required.

44. The operation of change of the bonds pledger is being initiated by the pledger or in case of succession – by the person (new pledger), obtaining the ownership right towards the bonds.

45. When performing the given operation, the sub-custodian (Custodian), directly servicing the pledger must perform the following checking of the submitted documents:

1) In case of transfer of the pledged bonds to an ownership of another party as a result of alienation, the depo assignment of change of the pledger of the pledged bonds should contain a note, reflecting the pledgee's consent, verified by the sub-custodian (Custodian), servicing the pledgee (the given consent is not required, if it is specified by the law or the pledge contract, that the pledgee's consent is not required), and a note, reflecting the consent of the person-the new owner of the bonds (new pledger), verified by the sub-custodian (Custodian), servicing the new pledger
2) In case of transfer of the pledged bonds to an ownership of another party as a result of succession, the documents, certifying the succession pursuant to legislation of the Republic of Armenia, should be submitted, attached to the depo assignment of change of the pledger of the pledged bonds

46. The operation of change of the pledger is being performed in the following way:

1) The pledger of the bonds or in case of succession – the person, acquiring the ownership right towards the bonds (new pledger), submits the "Assignment of change of the pledger" and in case of necessity – other documents, specified in point 45 of this Procedure, to the sub-custodian, servicing the pledger,
2) The sub-custodian of the pledger performs the respective checking of the submitted documents, which includes the checking, specified by point 45 of this Procedure, as well as the checking of existence of necessary volume of bonds in favor of the given pledgee on the pledger's pledged bonds depo account. If the result of checking, performed by the sub-custodian of the pledger, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. If the result of the checking is positive, then the pledger's sub-custodian submits a respective depo assignment to the Custodian, attaching the copies of other submitted documents.
3) When receiving the depo assignment, the Custodian checks the existence of necessary volume of bonds on the respective pledged bonds depo account of the pledger's sub-custodian and the existence of necessary volume of the right of pledge and in case of the positive result of the checking, the Custodian performs respective accounting recordings and other recordings of re-registration of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian, servicing the pledger; and submits an example of the depo assignment, received from the pledger's sub-custodian, to the sub-custodian, servicing the pledgee, and the sub-custodian,

servicing the new pledger, which verifies the fact of implementation of the given operation, attaching the copies of other submitted documents. After the end of the operational day, the Custodian sends an excerpt to the pledger's sub-custodian and the new pledger's sub-custodian from the respective depo-accounts.

4) Based on the documents, received from the Custodian, the pledger's sub-custodian, the new pledger's sub-custodian, the pledgee's sub-custodian perform respective recordings in the custodian system, maintained by themselves, after which the operation is being considered as performed; and the pledgee, the pledger and the new pledger are being informed about performance of the operation by defined documents (statement, excerpt, copies of documents).
5) If the result of checking, performed by the Custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline, and the operation is being considered as declined.
6) If the pledger is a commercial bank or a sub-custodian, then it submits the depo assignment and other documents (if necessary) directly to the Custodian, which performs the checking, specified in sub-point 2 of this point, and in case of a positive result performs the other operations, specified in sub-point 3 of this point.

CHAPTER 8. CHANGE OF THE PLEDGEE

47. Change of the pledgee is the transfer of its rights, emerging from the pledge contract, by the pledgee to another party (new pledgee), pursuant to the rules of transfer of the creditor's rights to another party through assignment of the claim.

48. The assignment of the pledgee's rights, emerging from the pledge contract, by the pledgee to a new pledgee is valid, if the right of claim towards the debtor of the main liability, pledged by the pledge, has been assigned to the new pledgee.

49. The pledger's consent is not required for transfer of the pledgee's rights to the new pledgee, unless otherwise is specified by law or the contract.

50. In case of change of the pledgee, only the recordings of the right of pledge are being changed: the right of pledge of the former pledgee is being terminated and that right of pledge is being re-registered on the new pledgee.

51. The operation of change of the pledgee is being initiated by the former pledgee, which submits a depo assignment of change of the pledgee, as well as the documents, certifying the new pledgee's rights towards the pledged bonds, to its sub-custodian.

52. When performing the given operation, the sub-custodian (Custodian), directly servicing the pledgee, must perform the following checking:

1) The existence of the contract of assignment of the claim (cession), prepared

pursuant to legislation of the Republic of Armenia, according to which the right of claim towards the debtor of the main liability, pledged by the pledge, is being assigned to the new debtor (new pledgee),

2) The existence of amendment of the respective contract, reflecting the change of the pledgee in the pledge contract, prepared pursuant to legislation of the Republic of Armenia,
3) If pursuant to the law or the pledge contract the pledger's consent is required for the operation of change of the pledgee, then the depo assignment of change of the pledgee should contain a note, reflecting the pledger's consent, verified by the sub-custodian (Custodian), servicing the pledger.

53. The operation of change of the pledgee is being performed pursuant to the rules and procedures, specified in this point:

1) The pledgee of the bonds or the new pledgee submits the "Assignment of change of the pledgee", attached with other necessary documents, to the sub-custodian, servicing the pledgee,
2) The pledgee's sub-custodian performs the respective checking of the submitted documents, which includes the checking, specified by point 52 of this Procedure, as well as the checking of existence of necessary volume of respective right of pledge. If the result of checking, performed by the sub-custodian of the pledgee, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline. If the result of the checking is positive, then the pledgee's sub-custodian submits a respective depo assignment to the Custodian, attaching the copies of other submitted documents.
3) When receiving the depo assignment, the Custodian checks the existence of necessary volume of bonds on the respective pledged bonds depo account of the pledger's sub-custodian and the existence of necessary volume of the right of pledge and in case of the positive result of the checking, the Custodian performs recordings of re-registration of the right of pledge. After then, the Custodian sends a confirmation of operation to the sub-custodian, servicing the pledgee; and submits the examples of the depo assignment, received from the former pledgee's sub-custodian, to the sub-custodian, servicing the pledger, and the sub-custodian, servicing the new pledgee, which verify the fact of implementation of the given operation, attaching the copies of other submitted documents.
4) Based on the documents, received from the Custodian, the pledger's sub-custodian, the former pledgee's sub-custodian, the new pledgee's sub-custodian perform respective recordings in the custodian system, maintained by themselves, after which the operation is being considered as performed; and the pledgee, the pledger and the new pledgee are being informed about performance of the operation by defined documents (statement, excerpt, copies

of documents).

5) If the result of checking, performed by the Custodian, is negative, then the depo assignment is not being performed and is being returned to the submitter with mentioning the reason of decline, and the operation is being considered as declined.
6) If the pledgee is a commercial bank or a sub-custodian, then it submits the depo assignment and other necessary documents directly to the Custodian, which performs the checking, specified in sub-point 2 of this point, and in case of a positive result performs the other operations, specified in sub-point 3 of this point.

CHAPTER 9. REPAYMENT OF THE PLEDGED BONDS

54. The operation of repayment of the pledged bonds is being performed in case, when in case of non-timely fulfillment of the liabilities, pledged by the pledge, non-timely replacement of the subject of the pledge and other cases the bonds are being remained pledged as of the day of repayment, partial repayment of the given issuance.

55. The repayment of the pledged bonds is being performed simultaneously with the operation of repayment of the whole volume of the distributed bonds of the given issuance and is being initiated by the Custodian.

56. In case of repayment of the pledged bonds, the money funds, raised as a result of the repayment, are becoming the subject of the pledge, and a re-registration of the right of pledge is being performed as a right of pledge towards the money funds. The money funds, raised as a result of the repayment, are being entered on the pledger sub-custodian's or the commercial bank's "Funds, raised from repayment of the pledged bonds" money account, maintained at a bank.

57. If the pledger and the pledgee of the repaid bonds are commercial bank or a sub-custodians, then the right of pledge towards the money funds is being registered by the bank pursuant to the procedures, specified by point 59 of this Procedure.

58. If the pledger and (or) the pledgee of the repaid bonds is not a commercial bank or a sub-custodian, then, with the consent of the pledger and the pledgee, the right of pledge towards the money funds is being registered by any commercial bank, pursuant to the procedures, specified by point 60 of this Procedure.

59. The registration by the bank of the right of pledge towards the money funds, raised as a result of repayment of the pledged bonds, is being performed in the following way:

1) The money funds, raised as a result of repayment of the pledged bonds, are being transferred from the "Funds, raised from repayment of the pledged bonds" account to the pledger sub-custodian's special pledge deposit account in the bank, and a re-registration of the right of pledge is being performed as a right of pledge towards the money funds. The registration is being maintained for each pledger, pledgee and bonds issuance. The pledger and the pledgee are

being informed about the pledge of money funds, raised as a result of repayment of the pledged bonds. The pledger receives also an excerpt from his/her special pledge deposit account.

2) The regime of the special deposit account is the same, as the regime for the pledger's pledged bonds depo account; and the operations, specified in chapters 3, 4, 5 and 6 of this Procedure, may be performed with the same conditions with the pledged money funds, available on the account.
3) In case of operation of termination of the pledge, the bank, based on the pledgee's assignment, transfers the money funds from the special deposit account to the pledger's correspondent or banking account, maintained at the bank.
4) In case of renunciation of the pledge, the bank, based on the pledger's assignment, transfers the money funds from the special deposit account to the pledgee's correspondent or banking account, maintained at the bank.
5) In case of seizure of the pledge, the bank, based on the enforcement act, received from the Compulsory Executor, transfers the money funds from the special deposit account to the banking account, mentioned by the Compulsory Executor.

60. The registration of the right of pledge towards the money funds, raised as a result of repayment of the pledged bonds, by the bank is being performed in the following way:

1) The bank transfers the money funds, raised as a result of repayment of the pledged bonds, from the "Funds, raised from repayment of pledged bonds" money account to the pledger sub-custodian's special interim account, opened in the bank, and informs the pledger's and pledgee's sub-custodians. Simultaneously, the bank performs a re-registration of the right of pledge as a right of pledge towards the money funds.
2) Not later than within five banking days, the pledger's sub-custodian is obliged to submit an agreement to the bank, according to which the pledger and the pledgee agree that the money funds, raised from repayment of the bonds, subject to pledge, are registered in a third-party commercial bank. The agreement should be ratified by the given commercial bank, as well as by the pledger and the pledgee and the sub-custodians, servicing them. Attached to the agreement, a payment instruction of transfer of the money funds from the interim account is being submitted.
3) Based on the received agreement and the payment instruction, the bank transfers the money funds from the interim account to the correspondent account of the commercial bank, registering the right of pledge; removes the right of pledge towards the money funds from its registration, about which the bank informs the pledger's and pledgee's sub-custodians.
4) Based on the banking transfer and the example of the agreement, submitted to it, the commercial bank, registering the right of pledge, enters the money funds

on the pledger's special pledge deposit account, opened at the bank, and performs the maintenance of that pledge account in the future, based on the pledger's and the pledgee's instructions, and in cases, specified by the law – based on the Court decree and (or) resolution of the Compulsory Executor.

5) If within five banking days the pledger's sub-custodian does not submit the agreement, mentioned in sub-point 2 of this point, then the bank is entitled to transfer the pledged sum to the notary deposit, at the same time providing information to the notary about the sub-custodians of the pledger and the pledgee, related to the pledged funds.

CHAPTER 10. PAYMENT OF INTERESTS FOR THE PLEDGED BONDS

61. The operation of payment of interests for the pledged bonds is being performed in case, when according to conditions of the bonds issuance, coupon or interest income (hereinafter, interests) is being paid for the given bonds within the periods, specified by the issuance conditions.

62. The payment of interests for the pledged bonds is being performed simultaneously with the operation of payment of interests for the whole volume of the distributed bonds of the given issuance and is being initiated by the Custodian.

63. The right of pledge of the pledgee applies to the interests, received for the pledged bonds in case it is specified by the pledge contract. In case such a provision is not specified in the pledge contract, the interest or coupon income should be freely controlled by the pledger.

64. The operation of payment of interests for the pledged bonds is being performed in the following way:

1) The interests are being accrued by the Custodian on the pledger sub-custodian's special pledge deposit account, maintained at the bank. The pledger's sub-custodian is being informed about the accrual of the interests on that account.
2) If the pledge contract does not specify the application of the right of pledge to the interests, received for the pledged bonds, then the pledger's sub-custodian submits a payment instruction for transfer of those funds to its correspondent or banking account, opened in the bank, verified also by the pledgee's sub-custodian. After performance of the payment instruction by the bank, the pledger's sub-custodian performs the payment of those interests to its customer-pledger, by entering the sum of interests to the pledger's money account, maintained by the sub-custodian; and in case the pledger's money account is in another bank – by performing a transfer to that account.
3) If the pledge contract specifies the application of the right of pledge to the interests, received for the pledged bonds, then the rules, specified for the money funds, raised as a result of repayment of the bonds of chapter 9 of this

Procedure, apply.

CHAPTER 11. CONFISCATION OF BONDS

The operations of confiscation of bonds are being performed pursuant to the law.
(Appendix was amended, supplemented by Resolution No 279-N as of 10.12.13)

Appendix 4
Approved by the Resolution of the Board of
the Central Bank of the Republic of Armenia
No. 142-N as of June 7, 2013

PROCEDURE ON CODING OF ACCOUNT NUMBERS, APPLIED IN THE SYSTEM OF ACCOUNTING AND SETTLEMENTS OF GOVERNMENT BONDS

CHAPTER 1. GENERAL PROVISIONS

1. This Procedure defines the principles of coding of depo account numbers, applied in the System of accounting and settlements of Government bonds, as well as those, used by sub-custodians.

2. For the meaning of this Procedure:
   1) Bond – bonds and other securities, issued by the body, authorized by the Government of the Republic of Armenia, the accounting of which is being performed by the system
   2) System – the CBA's (Central Bank of Armenia) the system of accounting and settlements of Government bonds,
   3) Participant – a person, having a depo account in the system
      The participants of the system are:
      a. Custodian – the Central Bank,
      b. Issuer – the Ministry of Finance of the Republic of Armenia, the Central Bank of the Republic of Armenia,
      c. Sub-custodian,
      d. Banks and other participants not considered as sub-custodians (by Resolution of the Board of the Central Bank of the Republic of Armenia).
   4) Custodian – an infrastructure, bearing responsibility to the issuer for servicing the underwriting, circulation and repayment of the bonds; keeping and registering the global certificate of the bonds issuance; performing Custodian activity, which maintains the depo accounts of the participants of the system. The functions of the Custodian are being performed by the Central Bank.
   5) Investor – natural or legal person, being the owner of the bonds and having a depo account of bonds at the sub-custodian.
   6) Sub-custodian – a person, performing custodian activity, which maintains the investor's depo accounts. For the meaning of this Procedure, sub-custodians are the persons, providing investment services, who have signed a sub-custody contract with the Custodian; the Treasury Direct and the Central Depository. The functions of a sub-custodian may be provided also by those organizations, signed sub-custody contract with the Custodian, which are allowed to deal with

custody of securities in the security market pursuant to legislation of the Republic of Armenia. The sub-custodian may open and maintain also a nominee's securities accounts. The Central Depository provides sub-custody services only to investors and nominees. The Treasury Direct provides sub-custody services only to investors.

7) Depo account – a complex of recordings (united by mutual criteria) of the custodian and sub-custodian, specified for accounting of the bonds,
8) Debit depo account – a depo account, where the bonds are being registered according to their place of maintenance,
9) Credit depo account – a depo account, where the bonds are being registered by their affiliation.
10) Analytical depo account – a depo account, where the rights of individual participant or investor towards the bonds of all issuances with the same status are being registered (for credit accounts); or where the bonds of all issuances are being registered by individual places of maintenance of bonds (for debit accounts).
11) Sub-account – an account, opened within the analytical account, where the bonds of the given status of individual issuances are being registered. The sub-account is the smallest indivisible unit of depo accounting.
12) Central Bank – the Central Bank of the Republic of Armenia.
13) Nominee - the person on whose name the nominal securities owned by other persons are registered without transfer of ownership rights,
14) The securities account of the nominee – a special type of securities account, on which the securities, owned by other persons, are registered on name of the nominee. The securities registered in the securities account of the nominee shall not be included in the liquidation means of the nominee in case of liquidation of the nominee. At the time of implementing the rights, stipulated by the securities (securities-driven), the nominee shall be obliged to follow the instructions of the customer (owner of the security).
15) The Central Depository – pursuant to Law of the Republic of Armenia "On securities market".

(Point 2 was edited and supplemented by Resolution No. 279-N as of 10.12.13)

3. The accounting of the bonds is being performed by respective depo accounts, maintained by the Custodian and sub-custodians, in accordance with the "Procedure on custodian activity of Government bonds of the Republic of Armenia", adopted by the Central Bank.

CHAPTER 2. THE ANALYTICAL ACCOUNTING OF THE BONDS WITHIN THE CUSTODIAN

4. For the purpose of analytical accounting, analytical accounts (debit and credit) are being opened within the Custodian.

1) The following types of depo accounts are being used at the Custodian.

a. Depo accounts of own bonds of the Custodian's customers (depo accounts of own bonds of the sub-custodian, commercial banks not considered as sub-custodians),
b. General depo accounts of the bonds of the sub-custodian's investors and nominees,
c. Issuer's depo accounts,
d. Custodian's depo accounts,
e. Depo accounts of other participants, considered as the Custodian's customers, by Resolution of the Board of the Central Bank

(Point 4 was edited by Resolution No 279-N as of 10.12.13)

5. The structure of the account numbers and the codes of their elements.

The account numbers have the following structure:

Account			
X1X2X3X4X5	X6	X7	X8
I	II	III	IV

In the structure of the account number		
I	Digits X1X2X3X4X5	Code of the account holder
II	Digit X6	Code of the status
III	Digit X7	Code of type of the depo account
IV	Digit X8	Control digit

6. The code of the account holder is being provided by the Custodian, in accordance with the "Procedure of coding of participants of the payment-settlement system of the Central Bank of the Republic of Armenia, the account numbers of customers of the latters, as well as the participants of information systems", specified by the Central Bank.

X6-X7 digits are digital characters (0-9 numbers).

7. The control digit is being calculated pursuant to the procedure, adopted by the Central Bank (appendix 1, attached).

1) the elements (digits) of structure of the account number may have the following codes:

Account			
X1X2X3X4X5	X6	X7	X8
I	II	III	IV

In the structure of the account number:		
I	Depending on the account, takes the following codes	- Custodian's code - Issuer's code

		- Code of a sub-custodian or a commercial bank and other participant not considered as sub-custodians - Code of the Central bank, as a participant of the secondary market
II	Depending on the account, takes the following statuses	"Accepted for accounting" status – 0 "Bonds subject to underwriting" status – 1 "Bonds bought back" status – 2 "Repaid bonds" status – 3 "Free" status – 4 "Limited with pledge" status – 5 "Seized (under arrest)" status – 6 "Pledged seized (under arrest)" status - 8
III	Depending on the account, takes the following code of type of account	Identification code of the "Custodian's bond" accounts group – 0 Identification code of the "Issuer's bonds" accounts group – 1 The code of the "Own bonds" type of account – 2 The code of the "Investors' and nominees' bonds" type of total depo account – 3 The code of the "Government bonds for pledge of repo transactions" account type – 4 The code of the "Government bonds for implementation of reverse repo transactions" account type - 5
IV	Control digit	

(Point 7 was amended by Resolution No. 279-N as of 10.12.13)

CHAPTER 3. ISSUER'S DEPO ACCOUNT

8. The issuer's depo account is a credit account, which is opened and maintained by the Custodian for accounting of the bonds, issued by the issuer.

9. The bonds are being accounted by the accounts of the following status (element X6):

1) Bonds for underwriting – bonds, that have been issued by the issuer and are presented for underwriting,
2) Bonds, bought back – bonds, that have been bought back by the issuer prior of day of their repayment,
3) Repaid bonds – bonds, that have gone out of circulation, and the sum for which have been paid.

10. The issuer's depo accounts have the following structure:

Account

X1X2X3X4X5	X6	X7	X8
*	**	***	****

* Issuer's code

** "Bonds for underwriting" status – 1
"Bonds, bought back" status – 2
"Repaid bonds" status – 3

*** Identifier of the "Issuer's bonds" accounts group – 1

**** Control digit

CHAPTER 4. CUSTODIAN'S DEPO ACCOUNT

11. The Custodian's depo account is a debit account, where the volume of the bonds, issued by the issuer and taken by the Custodian for accounting, is being accounted. Moreover, the total volume of the issued bonds should match the total volume of bonds, mentioned in the global certificates (or the issuer's instructions).

12. The Custodian's depo account have the following structure:

Account			
X1X2X3X4X5	X6	X7	X8
*	**	***	****

* Custodian's code – 10500

** "Accepted for accounting" status – 0

*** Identifier of the "Custodian's bond" accounts group – 0

**** Control digit

CHAPTER 5. DEPO ACCOUNTS OF THE SUB-CUSTODIANS OF THE CUSTODIAN, COMMERCIAL BANKS NOT CONSIDERED AS SUB-CUSTODIANS, AND OTHER PARTICIPANTS

13. The Custodian maintains 2 types of depo accounts for each sub-custodian:
    1) For the commercial banks, not considered as sub-custodians, only a depo account of their own bonds is being maintained,
    2) For the Central Depository and the Treasury Direct only a general depo account of the investors' and nominees' bonds is being opened: moreover, in case of the Treasury Direct, only the bonds, belonging to the investors, are being accounted,
    3) For the other participants, the depo accounts are being opened in accordance with Resolution of the Board of the Central Bank, according to the types of accounts, mentioned in this point.

(Point 13 was amended, edited by Resolution No. 279-N as of 10.12.13)

14. The depo account of the sub-custodian of the Custodian, the commercial bank not considered as a sub-custodian and other participant, as well as the depo account of the Central Bank, as a participant of a secondary market, has the following structure:

1) The depo account of the sub-custodian of the Custodian, the commercial bank not considered as a sub-custodian and other participant has the following structure:

Account			
X1X2X3X4X5	X6	X7	X8
I	II	III	IV

Where:		
I		- Code of the sub-custodian of the Custodian, the commercial bank not considered as a sub-custodian and other participant
II	This account number takes the following statuses	"Free" status – 4 "Limited with pledge" status – 5 "Seized (under arrest)" status – 6 "Pledged seized (under arrest)" status - 8
III	This account number takes the following code of type of account	The code of the "Own bonds" type of account – 2 The code of the "Investors' and nominees' bonds" type of total depo account – 3
IV	Control digit	

2) The depo account of the Central Bank, as a participant of a secondary market, has the following structure:

Account			
X1X2X3X4X5	X6	X7	X8
I	II	III	IV

Where:		
I		- Code of the Central Bank as a participant of a secondary market
II	This account number takes the following statuses	"Free" status – 4 "Limited with pledge" status – 5 "Seized (under arrest)" status – 6 "Pledged seized (under arrest)" status - 8
III	This account number takes the following code of type of account	The code of the "Own bonds" type of account – 2 The code of the "Investors' and nominees' bonds" type of total depo account – 3 The code of the "Government bonds for pledge of repo transactions" account type – 4 The code of the "Government bonds for implementation of reverse repo transactions" account type - 5

IV	Control digit	

(Point 14 was amended by Resolution No. 279-N as of 10.12.13)

15. The accounting of the bonds is being performed by the accounts of the following status (element X6):

1) Those bonds are being considered in the "free" status, for implementation of operations with which there are no limitations,
2) Those bonds are being considered in the "limited with pledge" status, which are pledged by the pledger (according to the pledge contract),
3) Those free bonds are being considered in the "seized (under arrest)" status, the use of which is seized by a Court decree,
4) Those pledged bonds are being considered in the "pledged seized (under arrest)" status, the use of which is seized by a Court decree.

CHAPTER 7. STRUCTURE OF SUB-ACCOUNTS

16. Sub-accounts are being opened within each analytical account, by bonds of each issuance.

The sub-accounts are formed of the digits 3-12 (including) of the 12-digit state registration number of the given bond (the first two digits represent the country (AM) and are not included in the sub-account) – 10 digits in total (the unique number of the bond and the control digit).

CHAPTER 8. DEPO ACCOUNTS, MAINTAINED BY THE SUB-CUSTODIAN

17. Depo accounts are being opened by the sub-custodian in order of accounting of the bonds – depo accounts by the bonds of individual investors and those, owned by the sub-custodian. The length of depo accounts, opened by the sub-custodian, is 13 digits, which are mandatory. The 13-digit depo accounts of the given sub-custodian's own bonds and/or the investor (investors), belonging to the sub-custodian, are being mentioned in the assignments of performance of operations, as well as in the respective fields of forms of messages.

18. The depo accounts, maintained by the sub-custodian, have the following structure:

Account

X1X2X3X4X5	X6	X7X8X9X10X11X12	X13
*	**	***	****

* Sub-custodian's code

** status of the account

*** code of the investor of the given sub-custodian
**** Control digit

The element X6 may have the following codes:
4 – free
5 – limited with pledge
6 – seized (under arrest)
7 – specified for trade
8 – pledged seized (under arrest)

X7X8X9X10X11X12 – the code of the investor of the given sub-custodian, which is being provided by the sub-custodian, moreover:

The elements X7X8 show the type of the investor:

the element X7 shows the status of the investor:

1 – resident investors,

2 – non-resident investors.

the element X8 shows the group of the investor by its affiliation:

1 – banking institutions,

2 – participants of the securities market (including the investment funds),

3 – financial-banking organizations (non-banking institutions),

4 – other legal persons

5 – other natural persons

6 – nominee

The investors' code is being provided by the sub-custodian. Each sub-custodian decides itself on the structure of its investors' codes, taking into consideration, that the investor's may not be equal to "000000", which reflects the sub-custodian's own bonds.

X13 is the control digit, which is being calculated in accordance with appendix 1 of this Procedure.

(Point 18 was supplemented by Resolution No. 279-N as of 10.12.13)

19. The structure of the sub-accounts, opened by the Central Depository as a sub-custodian, may differ from the structure, specified for the depo accounts, maintained by the sub-custodian pursuant to this Procedure. Still, the Central Depository at least ensures:

1) implementation of accounting, by investors and nominees and their Government bonds and their status,
2) accounting of Government bonds with their nominal value,
3) application of the messages by the principle, specified by the Central Bank for the messages, applied in the Central Bank's system, when performing operations with those systems; including presentation of accounts in a necessary form.

(Point 19 was supplemented by Resolution No. 279-N as of 10.12.13)

Appendix 1
of the Procedure on coding of account numbers,
applied in the system of accounting and settlements
of Government bonds

The algorithm of formation of the control digit

When calculating the control digit, the following consecutive steps are being taken:

1. Each letter of the Latin alphabet matches a numerical value, starting from 10:

A = 10	G = 16	M = 22	S = 28	Y = 34
B = 11	H = 17	N = 23	T = 29	Z = 35
C = 12	I = 18	O = 24	U = 30	
D = 13	J = 19	P = 25	V = 31	
E = 14	K = 20	Q = 26	W = 32	
F = 15	L = 21	R = 27	X = 33	

2. Each digit of the account number is being multiplied by the respective weight coefficient (numbers 1 and 2).

3. The results of multiplication are being summed; moreover, each digit is being summed as a separate number (see the example).

4. To get the control digit, the abovementioned result of addition is being extracted from the number, following the number received as a result of addition and being a multiplier of "10".

In case when as a result of addition of the results of multiplication, there occurred a number, which is a multiplier of "10" (for example, 30, 40, etc.), the control digit equals to "0".

Calculation of the control digit of the account:

Example 1. 121002795823K

1	2	1	0	0	2	7	9	5	8	2	3	K	*code*
x	x	x	x	x	x	x	x	x	x	x	x		*multiplication*
1	2	1	2	1	2	1	2	1	2	1	2		*weight coefficients*

1 4 1 0 0 4 7 18 5 16 2 6 *results of multiplication*

1+4+1+0+0+4+7+1+8+5+1+6+2+6 = 46

K = 50-46 = 4
Account number – 1210027958234

Example 2. 214001000000K

2 1 4 0 0 1 0 0 0 0 0 0 K *code*
x x x x x x x x x x x x *multiplication*
1 2 1 2 1 2 1 2 1 2 1 2 *weight coefficients*

2 2 4 0 0 2 0 0 0 0 0 0 *results of multiplication*

2+2+4+0+0+2+0+0+0+0+0+0 = 10

As the number (10), received as a result of addition, is a multiplier of "10", then the control digit equals to "0".
Account number – 2140010000000

The algorithm of check of the control digit

The check of the control digit in the account number is being performed by the following consecutive steps:

1. The digits of the account number (including the control digit) are being multiplied by their respective weight coefficients (2 and 1).
2. The results of multiplication are being summed; moreover, each digit is being summed as a separate number (see the example).

If the received sum is a multiplier of "10", then the control digit is calculated right.
Example: 1210027958234

1 2 1 0 0 2 7 9 5 8 2 3 4 *code*
x x x x x x x x x x x x x *multiplication*
1 2 1 2 1 2 1 2 1 2 1 2 1 *weight coefficients*

1 4 1 0 0 4 7 18 5 16 2 6 4 *results of multiplication*

1+4+1+0+0+4+7+1+8+5+1+6+2+6+4 = 50

As the sum (50) is a multiplier of “10”, then the control digit is calculated right.

(Appendix was edited, supplemented, amended by Resolution No. 279-N as of 10.12.13)

Appendix 5
Approved by the Resolution of the Board of
the Central Bank of the Republic of Armenia
No. 142-N as of June 7, 2013

PROCEDURE ON CIRCULATION OF GOVERNMENT BONDS OF THE REPUBLIC OF ARMENIA IN THE SECONDARY MARKET

CHAPTER 1. GENERAL PROVISIONS

1. This Procedure defined the procedure of circulation of the Government bonds of the Republic of Armenia (hereinafter, bonds) in the secondary market.
2. The main concepts, used in this Procedure, are the followings:
   1) Bank – the Central Bank of the Republic of Armenia,
   2) Issuer – the Ministry of Finance of the Republic of Armenia,
   3) Bond - short-term, mid-term and long-term coupon bonds, issued by the Ministry of Finance of the Republic of Armenia, as well as other state bonds, issued and circulated later, if the legal acts, regulating the circulation of the given type of bonds, specify that this Procedure applies to the given bond,
   4) Agent – a person, who has signed a contract with the issuer and the bank about implementation of functions of the agent in the bonds market,
   5) Depo account – a complex of recordings (united by mutual criteria) of the custodian (sub-custodian), specified for accounting of the bonds,
   6) Custodian – an infrastructure, bearing the responsibility of underwriting, circulation and servicing of repayment of the bonds, as well as performing the Custody activity. The bank performs the function of the Custodian.
   7) Sub-custodian – an infrastructure, performing Custody activity, which registers the bonds belonging to the separate investors by the property rights, by separate owners. For the meaning of this Procedure, the persons providing investment services, having signed a sub-custody contract with the Custodian, and the Central Depository are also sub-custodians. The functions of sub-custodian may be also performed by those organizations, having signed the sub-custody contract with the Custodian, which are allowed to perform securities custody in the securities market, pursuant to legislation of the Republic of Armenia. The Sub-custodian may also open and maintain nominee's securities accounts. For the meaning of this Procedure, the Treasury Direct is not considered as a sub-custodian. For performing operation in the secondary market with the bonds of investors of the Treasury Direct, the bonds should be transferred to the sub-custodian for retention, by performing depo settlements with the "free delivery" principle.

8) Investor – a natural or legal person, who is the owner of the bonds and whose bonds are accounted by a sub-custodian.
9) Commercial bank – a bank, operating in the Republic of Armenia, which is not considered as an agent in the bonds market and which owns the bonds with the ownership right.
10) The Treasury Direct – a system of direct sale of bonds, accounting and servicing of the bonds, belonging to the investors, by the authorized body of the Government of the Republic of Armenia.
11) Brokerage activity – the activity of trade of bonds at the expense of another party (parties), based on a delegation, commission or agency contract.
12) Exchange trade – the execution of transactions of bonds trade in stock exchanges pursuant to the Law of the Republic of Armenia "On securities market" and other legal acts.
13) Bonds' over-the-counter trade – the execution of transactions of OTC trade through the persons, providing brokerage activity in the bonds secondary market or directly between the investors.
14) Depo settlements – the complex of operations, performed by the sub-custodians and the Custodian, as a result of which a transfer of ownership right towards the bonds is being performed between the participants of the transaction, with the "delivery against the payment" or "free delivery" principle.
15) Checking of validity of the depo assignment – checking by the sub-custodian (Custodian) of the depo assignment, submitted to the sub-custodian (Custodian), during which the accuracy of filling the depo assignment and submission of the depo assignment by a respective authorized person are being checked.
16) Transferor – a person, considered as a party of transaction in the bonds secondary market, who transfers the bonds, belonging to him with ownership right, to the other party of transaction.
17) Transferee - a person, considered as a party of transaction in the bonds secondary market, to the ownership of whom the bonds, belonging to the other party of transaction, are being transferred.
18) Nominee - the person on whose name the nominal securities owned by other persons are registered without transfer of ownership rights,
19) The securities account of the nominee – a special type of securities account, on which the securities, owned by other persons, are registered on name of the nominee. The securities registered in the securities account of the nominee shall not be included in the liquidation means of the nominee in case of liquidation of the nominee. At the time of implementing the rights, stipulated by the securities (securities-driven), the nominee shall be obliged to follow the instructions of the customer (owner of the security).
20) The Central Depository – pursuant to the Law of the Republic of Armenia "On securities market".

(Point 2 was supplemented by Resolution No 279-N as of 10.12.13)

CHAPTER 2. CIRCULATION OF BONDS IN THE SECONDARY MARKET

3. Circulation of bonds is the implementation of compensated and uncompensated transactions of alienation of bonds in the secondary market. The compensated transactions of alienation of bonds are the transactions of trade of bonds, repo (reverse repo) transactions, exchange of bonds, as well as other transaction of compensated alienation of property, allowed by legislation of the Republic of Armenia. The uncompensated transactions of alienation of bonds are the transactions of bonds' donation, inheritance, as well as alienation of bonds as a result of reorganization of the legal entity.

4. The transactions of alienation of bonds are being performed pursuant to legislation of the Republic of Armenia and this Procedure by the following stages: signing of the transaction, implementing the depo settlements and in case of necessity – money settlements (hereinafter, money settlements), informing the party's of transaction. The ownership right towards the bonds is being considered as transferred (the bonds are being considered as alienated) from the moment of their registration on the owner's depo accounts, pursuant to this Procedure, by the Custodian (sub-custodian) as a result of implementation of depo settlements.

5. The participants of the bonds secondary market are the investors, agents, commercial banks, as well as the other persons, providing investment services, specified by the Law of the Republic of Armenia "On securities market". The infrastructures of the bonds secondary market are the Custodian and the sub-custodians.

6. Repo (reverse repo) transactions of bonds may be signed as mutually agreed between the participants of the transaction.

7. The transaction of bonds trade may be executed both by Exchange or OTC trades. In case of execution of a trade transaction, the buyer (transferee) or the seller (transferor) is the initiator, who submits a respective bid or signs a contract, which mentions the price and (or) the volume of transaction, as well as the profitability, for which the participant of the transaction wants to buy or sell the bonds.

8. Only those bonds may be considered as subject of trade, repo (reserve repo) transactions, towards which the rights of their owner are not limited (bonds, existing on the depo account with free status).

9. Depo settlements with bonds may be performed by the sub-custodian (Custodian), maintaining the depo accounts of participants of the trade, pursuant to the procedures, specified by this Procedure. Money settlements between the participants of the transaction may be performed pursuant to legislation of the Republic of Armenia, in cash or cashless forms. The money settlements, performed in cashless form, are being performed in accordance with the procedures, specified by this Procedure.

10. Depo settlements between sub-custodians and (or) commercial banks may be performed exclusively through respective depo accounts, maintained by their Custodian or

the Central Depository; and the money settlements may be performed only with Armenian Drams through their correspondent (banking) accounts, maintained by a bank.

(Point 10 was supplemented by Resolution No. 279-N as of 10.12.13)

11. If the contract of bonds trade specifies a performance of money settlements in a cash form, non-cash form with a condition of a pre-payment or credit sale, then the depo settlements are being performed with the "free delivery" principle, pursuant to the procedures, specified in point 16 of this Procedure.

12. If the trade contract specifies a performance of money settlements in a non-cash form with a condition of simultaneous delivery of bonds and money funds, then the depo and money settlements are being performed with the "delivery against the payment" principle, pursuant to the procedures, specified in point 15 of this Procedure.

13. The depo and money settlements of repo (reverse repo) transactions of bonds are being performed pursuant to the rules for settlements of trade transactions, specified by this Procedure.

14. Except for trade, repo (reverse repo) transactions of bonds, the depo settlements of other transactions with bonds in the secondary market are being performed with the "free delivery" principle, pursuant to the procedures, specified in point 16 of this Procedure.

CHAPTER 3. THE PROCEDURE OF PERFORMANCE OF SETTLEMENTS, RELATED TO TRANSACTIONS WITH BONDS IN THE SECONDARY MARKET

15. Depo and money settlements of the bonds trade with the "payment against the delivery" principle is being performed in accordance with the following rules and procedures:

1) The transferor (seller of the bonds) and the transferee (the buyer of the bonds), who are the parties of trade, or their authorized persons submit, respectively, the depot assignments of "Sale of bonds" and "Purchase of bonds" to their servicing sub-custodians. The depo assignments are being submitted in a way, mutually agreed by the sub-custodian and its client, within the operational hours of acceptance of depo assignments, specified by the sub-custodian. If the depo assignment has been accepted after the hours, specified by the sub-custodian, then it is being considered as submitted on the next working day. The depo assignment is being executed by the sub-custodian on the day of execution, mentioned in the assignment, in case the result of checking, specified by this Procedure, is positive. In case an execution day is not specified in the depo assignment, it is being executed on the day of submission. If the sub-custodian cannot execute the depo assignment, submitted by the customer, on the day, mentioned in the assignment, then it returns the depo assignment to the customer without execution, mentioning the reason of rejection.
2) The transferor's sub-custodian performs the checking of validity of the submitted depo assignment and existence of necessary volume of bonds on the transferor's free bonds depo account. The transferee's sub-custodian performs

the checking of validity of the submitted depo assignment and the checking of existence of necessary money funds on the transferee's money account, maintained by the sub-custodian, or in case the transferee's money account is in another bank – the checking of execution of transfer of respective money funds to the sub-custodian. If the result of checking, performed by the sub-custodian, is negative, then the depo assignment is not being executed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian accepts it for execution and submits a respective depo assignment to the Custodian.

3) When receiving the depo assignment, the Custodian performs a checking of validity. In case of invalidity, the depo assignment is not being executed and is being returned to the submitter with mentioning the reason of decline. In case of positive result of the checking, the Custodian searches for the pair assignment, matching the accepted assignment, within the pool of received depo assignments (in the pairing assignment, all the requisites, describing the given operation, have a mirror reflection). When finding the respective pair, the Custodian checks the existence of sufficient volume of the transferring bonds on the respective free bonds depo account of the transferor's sub-custodian and the existence of money funds on the money account of the transferee's sub-custodian, maintained in a bank. In case of positive result of the checking, the Custodian performs the transfer of money funds from the transferee's sub-custodian's money account to the money account of the transferor's sub-custodian, maintained in a bank, and in the custodian system – a transfer of the transferring bonds from the free bonds depo account of the transferor's sub-custodian to the respective free bonds depo account of the transferee's sub-custodian. After then, the Custodian sends a confirmation of execution of operation to the sub-custodians, servicing the transferor and the transferee. After the end of the operational day, the Custodian sends excerpts to the sub-custodians from the respective depo-accounts.
4) Based on the confirmation, received from the Custodian, within the same operational day the transferee's sub-custodian enters the bonds on the transferee's free bonds depo account, at the same time debiting the money funds, accounted for purchase of the bonds. The transferor's sub-custodian debits the transferor's bonds, accounted for the sale, and at the same time pays he money funds, received from the sale of bonds, to the transferor; and in case the transferor's money account is within another sub-custodian or in another bank, the sub-custodian performs a transfer of money funds to the money account, mentioned by the transferor. After that the operation is being considered as performed, and the transferor and the transferee are being informed about performance of the operation by excerpts, received from the sub-custodians within a specified time period. For the meaning of this sub-point,

the actions are being considered as executed simultaneously, if they have been executed within the same operational day.

5) If the result of checking, performed by the Custodian, is negative, then the depo assignments are not being executed and are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
6) All the depo assignments, the respective pairs of which are not being found by the Custodian within the specified period of time (during the operational day of the Custodian), are being returned to the submitters with mentioning the reason of decline, and the operation is being considered as declined.
7) If the transferor and the transferee are being serviced by the same sub-custodian, then the depo and money settlements are being limited to the given sub-custodian, which, after accepting the pairing depo assignments from the transferor and the transferee, performs the settlements pursuant to the procedures, specified in sub-point 4 of this point.
8) If the parties of the trade operation are the investor and its servicing sub-custodian, then the sub-custodian, accepting the investor's "Sale of bonds" ("Purchase of bonds") depo assignments, based on it prepares and submits a "free delivery" depo assignment to the Custodian, based on which the Custodian act pursuant to the procedures, specified by sub-point 3 of point 16 of this Procedure. When receiving the confirmation of execution of the transaction from the Custodian, the sub-custodian performs the depo and money settlement pursuant to the procedures, specified in sub-point 4 of this point.
9) If the transferor and (or) the transferee is a commercial bank or a sub-custodian, then it submits the depo assignment directly to the Custodian, which acts pursuant to the procedures, specified in sub-points 3, 5 and 6 of this point.
10) If, by the investors' instructions, the trade transactions are being executed by the brokers of the secondary market, then the "Sale of bonds" and "Purchase of bonds" depo assignments are being submitted to the sub-custodians (and if the broker is a sub-custodian – to the Custodian) by the brokers on behalf of the investors.

16. Depo settlements of the transactions with bonds in the secondary market with the "free delivery" principle is being performed in accordance with the following rules and procedures:

1) The transferring party of the transaction or the person, authorized by the latter, submits a "Free delivery of bonds" depo assignment to its servicing sub-custodian, pursuant to the rules, specified in sub-point 1 of point 15 of this Procedure.
2) The transferor's sub-custodian performs the checking of validity of the submitted depo assignment and existence of necessary volume of bonds on the transferor's free bonds depo account. If the result of checking, performed by

the sub-custodian, is negative, then the depo assignment is not being executed and is being returned to the submitter with mentioning the reason of decline. Otherwise, the sub-custodian accepts it for execution and submits a respective depo assignment to the Custodian.

3) When receiving the depo assignment, the Custodian performs a checking of validity and a checking of existence of necessary volume of bonds on the respective free bonds depo account of the transferor's sub-custodian. In case of positive result of the checking, the Custodian performs the transfer of the transferable bonds from the transferor's sub-custodian's free bonds depo account to the transferee's sub-custodian's free bonds depo account. After then, the Custodian sends a confirmation of execution of operation to the transferor's sub-custodian; and submits an example of the depo assignment, received from the transferor's sub-custodian, to the sub-custodian, servicing the transferee, which verifies the fact of implementation of the given operation. The example of the depo assignment is not being sent to the sub-custodian, servicing the transferee, if one party of the transaction is an investor, and the other party is the sub-custodian, servicing that investor. After the end of the operational day, the Custodian sends excerpts to the sub-custodians from the respective depo-accounts.
4) Based on the confirmation, received from the Custodian, within the same operational day the transferee's sub-custodian enters the bonds on the transferee's free bonds depo account, and the transferor's sub-custodian debits the transferor's bonds, accounted for delivery.
5) If the result of checking, performed by the Custodian, is negative, then the depo assignment is not being executed and is being returned to the submitter with mentioning the reason of decline, and the operation is being considered as declined.
6) If the transferor and the transferee are being serviced by the same sub-custodian, then the depo settlements are being limited to the given sub-custodian, which, after accepting the transferor's depo assignments, performs the settlements pursuant to the procedures, specified in sub-point 4 of this point.
7) If the transferor is a commercial bank or a sub-custodian, then it submits the depo assignment directly to the Custodian, which acts pursuant to the procedures, specified in sub-points 3, and 5 of this point.

17. The settlements, related to transactions with bonds in the secondary market by the Central Depository, are being performed pursuant to the rules of activity of the Central Depository's Securities accounting and settlements united system.

(Point 17 wad added by Resolution No. 279-N as of 10.12.13)

Appendix 6
Approved by the Resolution of the Board of
the Central Bank of the Republic of Armenia
No. 142-N as of June 7, 2013

PROCEDURE ON MINIMUM REQUISITES OF THE DOCUMENTS, USED IN THE OPERATIONS WITH GOVERNMENT BONDS

1. This Procedure defines the requisites, which should mandatory exist on the documents, serving as basis for execution of operations with Government bonds.

2. The documents, serving as basis for execution of operations with Government bonds, should contain the requisites, specified in appendix 1 of this Procedure.

3. The existence of the requisites, specified for individual documents in Appendix 1 of this Procedure, in the given document is mandatory, and that requisite is a subject to mandatory filling in case the "Filling procedure" column of the table, presented in Appendix 1 of this Procedure, is noted with "Mandatory" mark; and is not a subject to mandatory filling in case the "Filling procedure" column is noted with "Not mandatory" mark. The requisites, subject to non-mandatory filling, may be absent from the forms of electronic messages.

4. Besides the requisites, specified by this Procedure, the documents, serving as basis for execution of operations with Government bonds, may if necessary contain also other requisites, specified by the sub-custodian (Custodian).

5. The forms of documents, serving as basis for execution of operations with Government bonds within the territory of the Republic of Armenia, must be in Armenian, and their translation into a foreign language is being performed, if necessary.

Appendix 1
of Procedure "On minimum requisites of the documents,
used in the operations with Government bonds"

THE MINIMUM REQUISITES OF THE DOCUMENTS, USED IN THE OPERATIONS WITH GOVERNMENT BONDS

1. The minimum requisites of the documents, used in the operations with Government bonds

Name of the document	Minimum requisite	Filling procedure	Notes
1. Application of initial underwriting auction of Government bonds	1) Application number	Mandatory	
	2) State registration number of the bonds	Mandatory	
	3) Date of submission (acceptance) of the application	Mandatory	
	4) Name of submitter of the application	Mandatory	
	5) Depo account number or code of submitter of the application	Mandatory	The code, provided to the submitter of the application by the Custodian (sub-custodian) or the account number of the free depo account is being mentioned
	6) Volume of the competitive bid in numbers	Non-mandatory	The given requisite may be repeated up to 20 times. In the application of the Treasury Direct the given requisite is absent
	7) Price of the competitive bid in numbers (for short-term bonds) a. Profitability of the competitive bid in numbers (for coupon bonds)	Non-mandatory	The given requisite may be repeated up to 20 times. It is being filed in case of fulfillment of the requisite, mentioned

			in sub-point 6. In the application of the Treasury Direct the given requisite is absent
	8) Volume of the non-competitive bid	Non-mandatory	
	9) Validation of the submitter of the application	Mandatory	
2. Depo assignment of trade (purchase/sale) of Government bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the transferor	Non-mandatory	Is being filled in case the transferor of the bonds is an investor
	4) Name of the transferor	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as transferor of bonds is being filled
	5) Depot account number of the transferor	Mandatory	The number of the transferor's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) The number of the money account, being credited	Mandatory	The transferor's money account number, on which the transferor's money funds should be transferred, is being filled in this field
	7) Name of the sub-custodian, servicing the transferee	Non-mandatory	Is being filled in case the transferee of the

		bonds is an investor
8) Name of the transferee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as transferee of bonds is being filled
9) Depo account number of the transferee	Mandatory	The number of the transferee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
10) The number of the money account, being debited	Mandatory	The money account number, from which the money funds, payable from the transferee to the transferor, should be transferred
11) State registration number of bonds	Mandatory	
12) Nominal volume of bonds, in numbers	Mandatory	
13) Nominal volume of bonds, in words	Non-mandatory	
14) Sum of transaction in numbers and the code of currency	Mandatory	The price of purchase of bonds is being filled in the given field
15) Sum and currency of the transaction, in words	Non-mandatory	
16) Purpose	Mandatory	"Purchase" or "Sale" is being filled in this field
17) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field

	18) Validation of the submitter of the depo assignment	Mandatory	
3. Depo assignment of free delivery of Government bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the transferor	Non-mandatory	Is being filled in case the transferor of the bonds is an investor
	4) Name of the transferor	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as transferor of bonds is being filled
	5) The transferor's depo account number	Mandatory	The number of the transferor's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Name of the sub-custodian, servicing the transferee	Non-mandatory	Is being filled in case the transferee of the bonds is an investor
	7) Name of the transferee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as transferee of bonds is being filled
	8) Transferee's depo account number	Mandatory	The number of the transferee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled

	9) State registration number of the bonds	Mandatory	
	10) Nominal volume of the bonds, in numbers	Mandatory	
	11) Nominal volume of the bonds, in words	Non-mandatory	
	12) Purpose	Mandatory	
	13) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	14) Validation of the submitter of the depo assignment	Mandatory	
4. Depo assignment of pledging the Government bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Number of money account, being credited	Mandatory	The number of the pledger's money account is being filled, on which the loan (credit) amount, provided from the

		pledgee to the pledger, should be transferred
7) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
8) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledgee of bonds is being filled
9) Pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
10) Number of money account, being debited	Mandatory	The number of the money account is being filled, from which the loan (credit) amount, provided from the pledgee to the pledger, should be transferred
11) State registration number of the bonds	Mandatory	
12) Nominal volume of the bonds, in numbers	Mandatory	
13) Nominal volume of the bonds, in words	Non-mandatory	
14) Sum of transaction in numbers and the code of currency	Mandatory	The sum of the loan (credit) is being filled in this field
15) Sum and currency of transaction, in words	Non-mandatory	
16) Purpose	Mandatory	

	17) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	18) Validation of the submitter of the depo assignment	Mandatory	
5. One-side depo assignment of pledging the Government bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
	7) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledgee of bonds is being filled
	8) Pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free

			status, maintained by the sub-custodian (commercial bank) is being filled
	9) State registration number of the bonds	Mandatory	
	10) Nominal volume of the bonds, in numbers	Mandatory	
	11) Nominal volume of the bonds, in words	Non-mandatory	
	12) Purpose	Mandatory	
	13) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	14) Validation of the submitter of the depo assignment	Mandatory	
6. Depo assignment of removal of Government bonds from pledge	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Number of money account,	Mandatory	The number of the money account is

being debited		being filled, from which the loan (credit) amount, returned from the pledger to the pledgee, should be transferred
7) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
8) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledgee of bonds is being filled
9) Pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
10) Number of money account, being credited	Mandatory	The number of the pledgee's money account is being filled, on which the loan (credit) amount, returned from the pledger to the pledgee, should be transferred
11) State registration number of the bonds	Mandatory	
12) Nominal volume of the bonds, in numbers	Mandatory	
13) Nominal volume of the bonds, in words	Non-mandatory	
14) Sum of transaction in numbers and the code of currency	Mandatory	The sum of the returned loan (credit) is being

			filled in this field
	15) Sum and currency of transaction, in words	Non-mandatory	
	16) Purpose	Mandatory	
	17) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	18) Validation of the submitter of the depo assignment	Mandatory	
7. One-side depo assignment of removal of Government bonds from pledge	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
	7) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian),

			considered as pledgee of bonds is being filled
	8) Pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	9) State registration number of the bonds	Mandatory	
	10) Nominal volume of the bonds, in numbers	Mandatory	
	11) Nominal volume of the bonds, in words	Non-mandatory	
	12) Purpose	Mandatory	
	13) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	14) Validation of the submitter of the depo assignment	Mandatory	
8. Depo assignment of renunciation of the pledged bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free

			status, maintained by the sub-custodian (commercial bank) is being filled
	6) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
	7) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledgee of bonds is being filled
	8) Pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	9) State registration number of the bonds	Mandatory	
	10) Nominal volume of the bonds, in numbers	Mandatory	
	11) Nominal volume of the bonds, in words	Non-mandatory	
	12) Purpose	Mandatory	
	13) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	14) Validation of the submitter of the depo assignment	Mandatory	
9. Depo assignment of replacement of the Government bonds, subject to pledge	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	

3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
6) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
7) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledgee of bonds is being filled
8) Pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
9) State registration number of the bonds under replacement	Mandatory	
10) Nominal volume of the bonds under replacement, in numbers	Mandatory	
11) Nominal volume of the bonds under replacement, in words	Non-mandatory	
12) State registration number of	Mandatory	

	the replacing bonds		
	13) Nominal volume of the replacing bonds, in numbers	Mandatory	
	14) Nominal volume of the replacing bonds, in words	Non-mandatory	
	15) Purpose	Mandatory	
	16) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	17) Validation of the submitter of the depo assignment	Mandatory	
10. Depo assignment of change of the pledger of Government bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger (under replacement) of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger (under replacement) of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's (under replacement) depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Name of the sub-custodian, servicing the new pledger	Non-mandatory	Is being filled in case the new pledger of the bonds is an investor

7) Name of the new pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as new pledger of bonds is being filled
8) New pledger's depo account number	Mandatory	The number of the new pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
9) Name of the sub-custodian, servicing the pledgee	Non-mandatory	Is being filled in case the pledgee of the bonds is an investor
10) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledgee of bonds is being filled
11) The pledgee's depo account number	Mandatory	The number of the pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
12) State registration number of the bonds	Mandatory	
13) Nominal volume of the bonds, in numbers	Mandatory	
14) Nominal volume of the bonds, in words	Non-mandatory	
15) Purpose	Mandatory	
16) Date of execution	Non-mandatory	The date of execution of the transaction is being

			filled in this field
	17) Validation of the submitter of the depo assignment and validations of other persons, required by legislation	Mandatory	
11. Depo assignment of change of the pledgee of Government bonds	1) Number of the depo assignment	Mandatory	
	2) Date of submission (acceptance) of the depo assignment	Mandatory	
	3) Name of the sub-custodian, servicing the pledger	Non-mandatory	Is being filled in case the pledger of the bonds is an investor
	4) Name of the pledger	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as pledger of bonds is being filled
	5) The pledger's depo account number	Mandatory	The number of the pledger's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	6) Name of the sub-custodian, servicing pledgee	Non-mandatory	Is being filled in case the former pledgee of the bonds is an investor
	7) Name of the pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as former pledgee of bonds is being filled
	8) Pledgee's depo account number	Mandatory	The number of the former pledgee's depo account with

			free status, maintained by the sub-custodian (commercial bank) is being filled
	9) Name of the sub-custodian, servicing the new pledgee	Non-mandatory	Is being filled in case the new pledgee of the bonds is an investor
	10) Name of the new pledgee	Mandatory	The name or the name, surname of the party (investor, commercial bank, sub-custodian), considered as new pledgee of bonds is being filled
	11) The new pledgee's depo account number	Mandatory	The number of the new pledgee's depo account with free status, maintained by the sub-custodian (commercial bank) is being filled
	12) State registration number of the bonds	Mandatory	
	13) Nominal volume of the bonds, in numbers	Mandatory	
	14) Nominal volume of the bonds, in words	Non-mandatory	
	15) Purpose	Mandatory	
	16) Date of execution	Non-mandatory	The date of execution of the transaction is being filled in this field
	17) Validation of the submitter of the depo assignment and validations of other persons, required by legislation	Mandatory	
12. Excerpt from depo account	1) Name of the sub-custodian (Custodian), providing the excerpt	Mandatory	
	2) Number of the excerpt	Mandatory	

	3) Name of the depo account holder	Mandatory	
	4) Number of the customer's depo account	Mandatory	
	5) Date of the previous excerpt	Mandatory	
	6) Date of the excerpt	Mandatory	
	7) Initial balance of the depo account	Mandatory	
	8) depo account turnover: debited (credited) sum (in numbers)	Mandatory	
	9) Final balance of the depo account	Mandatory	
	10) Depo sub-account number	Mandatory	
	11) Initial balance of the depo sub-account	Mandatory	
	12) depo sub-account turnover: debited (credited) sum (in numbers) Corresponding depo account Date of the transaction Basis of the transaction		The number of the document, serving as basis for the given transaction, is being filled in the "Basis of the transaction" field
	13) Total turnover with depo sub-account; debited (credited) sum (in numbers)	Mandatory	
	14) Final balance of the depo sub-account	Mandatory	
	15) Date of provision of the excerpt	Mandatory	
	16) Validation of the sub-custodian (Custodian), providing the excerpt	Mandatory	
13. Reference about the customer's bonds (from depo accounts)	1) Name of the sub-custodian (Custodian), providing the reference	Mandatory	
	2) Name (name, surname) of the customer	Mandatory	
	3) Date of the reference	Mandatory	The date, as of which the information, contained in the

		reference is provided, is being filled
4) State registration number of the bonds	Mandatory	
5) Nominal volume of the bonds, in numbers	Mandatory	
6) Date of issuance of the bonds	Mandatory	
7) Number of days till the repayment of the bonds	Mandatory	
8) Date of provision of the reference	Mandatory	
9) Validation of the sub-custodian (Custodian), providing the reference	Mandatory	

2. The requisite "Validation" in the table of this Appendix includes the signature of the respective authorized body, and in case of submission of the document in electronic form- the electronic signature, password, test key, etc., specified by security protocols.

3. The sub-points (fields) 10-14 of point 12 in the 2nd column of the table of this Appendix are being repeated by amount of sub-accounts, opened within the given depo account.

4. The requisites, mentioned in sub-point 12 of point 12 in the 2nd column of the table of this Appendix are being repeated by amount of operations, performed with the given depo account within the period of the excerpt.

5. The volume of bonds in sub-point 5 of point 13 in the 2nd column of the table of this Appendix is being mentioned by all possible statuses (free, pledged, etc.) of the given bond.

6. The requirements, related to the sub-accounts, mentioned in this Appendix, do not apply to the Central Depository. The minimum requisites of documents, used in the operation with Government bonds, performed by the Central Depository as a sub-custodian, are specified by the rules of the Central Depository.

(Point 6 was added by Resolution No. 279-N as of 10.12.13)

(Appendix was supplemented by Resolution No. 279-N as of 10.12.13)