

DRAFT

**REPUBLIC OF ARMENIA
CENTRAL BANK BOARD**

**RESOLUTION
No -----N, ----- 2018**

**On Introduction of Amendments to Republic of Armenia Central Bank Board Resolution No 69-N
of March 11, 2008**

With a view to complying the criteria for qualifying investors with the European Union Directives and Regulations, as well as to making a qualified investor registration procedure faster and more effective;

based on Article 23 (3) of the Republic of Armenia Law "On Securities Market";

by virtue of Article 20 (e) of the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia", Article 33 (1) of the Law of the Republic of Armenia "On Normative Legal Acts";

The Board of the Central Bank of the Republic of Armenia, herewith decides:

1. To refine in the following edition the content of Regulation 4/06 “Criteria to be Considered Qualified Investors and Procedure on Registration of Parties as Qualified Investors”, approved by the Resolution of the Central Bank Board No 69-N of March 11, 2008 “On Approval of Regulation 4/06 “Criteria to be Considered Qualified Investors and Procedure on Registration of Parties as Qualified Investors”, pursuant to the Appendix attached.

2. This Resolution shall enter into force on the tenth day upon its official publication.

3. This Resolution shall be applied as of March 1, 2019 to qualified investors registered in the Qualified Investors Information Database of the Central Bank of Armenia, before the entry into force of this Resolution.

**Republic of Armenia
Central Bank Governor**

Artur Javadyan.

APPENDIX
Approved
by the Republic of Armenia
Central Bank Board Resolution
No — -N of -----

Appendix to the Republic of Armenia
Central Bank Board
Resolution No 69-N,
of March 11, 2008

“CRITERIA TO BE CONSIDERED QUALIFIED INVESTORS AND PROCEDURE ON REGISTRATION OF PARTIES AS QUALIFIED INVESTORS”

REGULATION 4/06

CHAPTER 1. REGULATION OBJECT

1. This Regulation establishes the criteria for certifying persons defined in Article 3, Paragraph 23 (d) of the Republic of Armenia Law on “Securities Market” as qualified investors, as well as the procedure for registration of qualified investors as stipulated under Article 3.23 (d)-(e) of the Republic of Armenia Law “On Securities Market”.

CHAPTER 2. MAIN CONCEPTS

2. The following concepts are used in this Regulation:

- 1) “Law” means the Republic of Armenia Law on “Securities Market”;
- 2) “Information Base” means a list with information on qualified investors registered at the Central Bank;
- 3) “Regulation 4/07” means Regulation 4/07 “Requirements for the Activities of Persons Providing Investment Services”, approved by the Resolution of the Central Bank Board No 113-N of April 8, 2008;
- 4) “Qualified investors” are persons defined in Article 3, Paragraph 23, Sub-paragraphs

(a-c) and (e), who have been registered as a Qualified Investor in the Information Base as prescribed by this Regulation..

3. Other concepts used in this Regulation have the same meaning as in the Law.

CHAPTER 3. GENERAL PROVISIONS

4. A person shall be considered a qualified person, specified by Article 3, Paragraph 23 (d) and (e) of the Law, after registration, pursuant to this Regulation, after registration in the qualified investors Information Base of the Central Bank of the Republic of Armenia (hereinafter referred to as Central Bank).

5. In order to be registered in the Information Base as a qualified investor, a person shall comply with criteria defined in Chapter 6 of this Regulation.

CHAPTER 4. PROCEDURE ON REGISTRATION OF A QUALIFIED INVESTOR AND EXIT FROM REGISTRATION

6. In order to be certified as a qualified investor, a person shall be registered at the Central Bank by submitting an application, in compliance with Appendix 1 of this Regulation.

7. In order to exit from the registration in the Information Base, a person may apply to the Central Bank submitting an application, in compliance with Appendix 2 of this Regulation.

8. For a natural person, the application shall be signed by that natural person, or a person authorized by him/her.

9. For a legal person, the application shall be signed by the executive director or another authorized person.

10. All the documents required by this Regulation, shall be submitted to the Central Bank in a hard copy or electronic form, unless otherwise specified in the present Regulation..

CHAPTER 5. PROCEDURE ON REGISTRATION AS A QUALIFIED INVESTOR OR REMOVAL FROM REGISTRATION

11. Within 5 working days after receiving the documents defined in Paragraphs 6 and 7 of this Regulation, the Central Bank shall register or decline the registration of the person in the Information base, or remove the person from the Information base in accordance with the instruction in writing signed by the Head of the Legal Department of the Central Bank.

12. The Central Bank shall not register a person as a qualified investor, if the application provided in compliance with Appendix 1, or Appendix 2 of this Regulation is incomplete.

13. In case the Central Bank does not make a decision on registration, or rejection of a registration of an applicant as a qualified investor within the period specified in Paragraph 11 of this Regulation, the person shall be considered to be registered as a qualified investor.

14. In case of non-signing of the corresponding notice on removal from registration of the applicant in the period specified in point 11 of this Regulation, the person shall be considered to be registered in the Information Base.

15. The Central Bank shall, upon receipt of a notification from the Investment Services Provider regarding the removal from the Information Base or the termination of the professional status of a professional client (termination of the investment service contract) shall remove the person from Information Base in accordance with paragraphs 14.11 or 14.13 of Regulation 4/07, within 5 business days after receiving the relevant report or notice from the given person.

16. The Central Bank shall notify the person concerned about the registration, denial or cancellation of the registration of the qualified investor within 5 business days following the submission of the relevant application through the e-mail or the notification specified in paragraph 15 of this Regulation.

17. Registration as a qualified investor shall be effective until June 30 of the year following the submission of the relevant application, if a qualified investor did not apply earlier for removal from registration. This clause shall not apply to qualified investors who have been registered as a qualified investor by the mediation of an investment services provider. In this case, the registration of a qualified investor shall be valid as long as the investor is a professional customer of the given investment services provider or prior to the removal from the Information Base pursuant to the application filed to the Central Bank by the mediation of an investment services provider.

CHAPTER 6. CRITERIA TO BE CONSIDERED A QUALIFIED INVESTOR

18. Qualified investors may be persons who have submitted the application defined in Paragraph 6 of this Regulation and at the same time satisfy the conditions set out below:

- 1) Legal persons referred to in paragraph 14.4 of the Regulation 4/07 and persons referred to in paragraph 14.1, classified as professional customers by persons providing investment services, who have given their consent to investment services provider to being considered a qualified investor;
- 2) Persons that are not professional customers of a investment services provider, but comply with the criteria set forth in paragraphs 14.4 and 14 (1) of Regulation 4/07 (whereas knowledge specified in paragraph 14.1 (3) shall be evaluated in terms of investments in securities) or Article 3.23 (e) of the Law.

19. Persons specified in paragraph 18.2 of this Regulation shall independently evaluate the

compliance with the criteria set forth in paragraph 18.2 of this Regulation, as well as make an independent decision on registration in the Information Base as qualified investors.

CHAPTER 7. INFORMATION BASE OF QUALIFIED INVESTORS

20. The Central Bank shall maintain the Information Base of qualified investors registered at the Central Bank. In the case of a request, information included in the Information Base may be provided to issuers.

21. The Information Base shall provide the following information on natural persons: name, surname, patronymic residence address (location and business address), phone number, social service number (another document identifying the person in the absence of the latter), and e-mail address.

22. The Information Base shall provide the following information on legal persons: firm name, location address, phone number, taxpayer identification number, and e-mail address.

23. In case the information on person registered in the Information Base has been changed, the person may apply to the Central Bank with a request to make the respective changes. This provision shall not apply to qualified investors who have been registered as a qualified investor through the mediation of an investment services provider (in this case, the amendments shall be submitted to the Central Bank by investment services provider concerned). This provision shall not apply to qualified investors that have been registered as a qualified investor through mediation of an investment services provider .

24. Qualified person shall be obliged to notify the Central Bank about the changes as a result of which the person does not any longer satisfy the qualification criteria of qualified investors in accordance with this Regulation (in this case the amendments shall be submitted to the Central Bank by the given investment services provider) .

25. The Central Bank shall incorporate changes in information concerning the qualified investors in the Information Base within 3 business days after receiving the relevant notice.

26. The Central Bank shall be responsible only for adequate registration of qualified investors in the Information Base. The Central Bank shall not be responsible for verifying compliance of qualified investors with criteria defined in Chapter 6 of this Regulation.

APPENDIX 1.

to Appendix of Regulation 4/06
on "Criteria to be considered as qualified investors and procedure on registration of parties as qualified investors"
Approved by the Republic of Armenia Central Bank Board
Resolution No 69-N March 11, 2008

APPLICATION OF NATURAL PERSONS FOR REGISTRATION AS A QUALIFIED INVESTOR

PART A

To: the Central Bank Chairman

Dear: -----

I. Subject to compliance with the criteria laid down in paragraph 4 of Article 14 of Regulation 4/07

I, (name and surname of qualified natural person) -----, herewith certify that I comply at least with two of the criteria provided below:

☐ At the end of the year preceding the submission of the application, the applicant's carrying amount exceeds 500 million Armenian drams

☐ At the end of the year preceding the submission of the application, the applicant's sales turnover (according to the Republic of Armenia tax legislation) exceeds 1 billion Armenian drams

☐ At the end of the month preceding the submission of the application/ month preceding the previous month (the relevant month shall be specified), the applicant's aggregate capital is equal to 50 million Armenian drams

II. Subject to compliance with the criteria laid down in paragraph 14. of Regulation 4/07

Applicant ----- herewith certifies that:
(Name, surname, patronymic (company name and incorporation type))

complies at least with two of the criteria provided below for being considered a qualified investor:

☐ During the four quarters preceding submission of the application, the applicant carried out at least 10 transactions in the securities market on an average quarterly basis, with an average transaction amount of at least 500,000 Armenian drams,

☐ the value of the applicant's securities portfolio exceeds 100 million drams at the time of submission of the application,

☐ the applicant has at least 1 year of professional experience in the financial market that requires knowledge of investment in securities.

III. Subject to compliance with the criteria laid down in Article 3.23 (e) of the Republic of Armenia Law “On Securities Market”

Applicant _____

(Name, surname, patronymic (company name and incorporation type)

herewith certifies that:

complies with:

☐

with the criteria laid down in Article 3.23 (e) of the Republic of Armenia Law “On Securities Market” in order to be considered qualified investor.

I (we) assure you that I am (we are) aware about consequences of registration as a qualified investor, in compliance with the Republic of Armenia law “On Securities Market“. In particular, I am (we are) aware that in case of registration of qualified investors registered in the Central Bank I may be waived from legislative requirements for investor protection. Furthermore, in case of making a securities offer to me (us), the issuer's obligation to publish a prospectus does not exist, therefore, the rights arising out of the prospectus do not apply to me (us).

I (we) would like to ask You to register me as a qualified investor, in manner prescribed by the Republic of Armenia legislation.

Applicant (authorized person of applicant) name and surname -----

I assure you that I am authorized on behalf of-----

(legal person of qualified person)

to submit this application to the Central Bank for registering him as a qualified investor (this line shall be filled out in case if authorized person is available).

Signature of applicant (applicant's authorized person). In case of submission of the application by e-mail, signature of the applicant (applicant's authorized person) is not required. -----

Date -----

* In case of complying the criterion, the appropriate box must be checked

PART B

INFORMATION

The Central Banks shall place the information from Part B in the Information Base of the qualified investors, registered at the Central Bank, which can be submitted to the issuers..

Pursuant to the Republic of Armenia Law on “Securities Market”, in case of registration in Information Base of the Central Bank for Qualified Investors, you may be waived from legislative requirements for investor protection. Furthermore, in case of making a securities offer, the issuer's obligation to publish a prospectus does not exist, therefore, the rights arising out of the prospectus do not apply to you.

We will send you a note to the address indicated in this document, which will inform you that you are included in Information Base of the Central Bank for Qualified Investors.

Registration as a qualified investor will be in force until June 30 of the year following the submission of the application, unless you apply for an invalidation decision within an earlier period. This provision shall not apply to qualified investors who have been registered as a qualified investor by mediation of an investment services provider. In this case, your registration as a qualified investor is valid until you are a professional customer of that investment services provider or before removing you from the registration in the Information Base on the basis of an application submitted to the Central Bank by mediation of an investment services provider.

You are required to inform the Central Bank about any changes as a result of which you no longer meet the criteria for qualified investors set by law. This provision does not apply to qualified investors who have been registered as a qualified investor through an investment services provider (in this case the amendments shall be submitted to the Central Bank by the person providing the investment services).

Name, surname and patronymic/company
name, type of incorporation

Applicant's residence address (registered
location and business address)

Phone number (any phone number at
which the person can be contacted)

Social services number (person's ID if the
latter is unavailable)

E-mail address

Date

APPENDIX 2

to Appendix of Regulation 4/06
on “Criteria to be considered as qualified investors and procedure on registration of parties as qualified investors”
Approved by the Republic of Armenia
Central Bank Board
Resolution No 69-N
March 11, 2008

APPLICATION OF THE QUALIFIED INVESTOR FOR REMOVAL FROM THE INFORMATION BASE

APPLICATION

To: the Central Bank Chairman

Dear: -----

Please remove

from the

(name of natural/legal person, registration number in the Information Base)

Information Base of the Central Bank for Qualified Investors, in manner prescribed by the Republic of Armenia legislation.

Applicant (authorized person of applicant) name and surname -----

I assure you that I am authorized on behalf of-----

(legal person of qualified person)

to submit this application to the Central Bank for removing him from the Information Base of qualified investors (this line shall be filled out in case if authorized person is available).

Signature of applicant (applicant's authorized person). In case of electronic submission of the application, signature of the applicant (applicant's authorized person) is not required. -----

Date -----