

S T A T U T E
FINANCIAL MONITORING CENTER
CENTRAL BANK OF THE REPUBLIC OF ARMENIA

CHAPTER 1. GENERAL PROVISIONS

1. The Financial Monitoring Center (hereinafter referred to as the FMC) of the Central Bank of the Republic of Armenia (hereinafter referred to as the Central Bank) is the Financial Intelligence Unit of the Republic of Armenia.
2. The FMC performs the functions and authorities assigned to it under the Republic of Armenia Law on Combating Money Laundering and Terrorism Financing (hereinafter referred to as the Law).
3. The FMC is the dedicated structural unit of the Central Bank, the activities of which are regulated by the Law, Board Decisions of the Central Bank, Chairman Decisions and Orders of the Central Bank and this Statute.
4. In performing its activities, the FMC is guided by the Strategy and the Work Plan approved by the Board of the Central Bank.

**CHAPTER 2. OBJECTIVE, TASKS, FUNCTIONS AND AUTHORITIES OF THE
FMC**

5. The objective of the FMC is to enforce effective mechanisms and take relevant measures for preventing money laundering, combating terrorism financing, financing of proliferation of weapons of mass destruction (hereinafter referred to as ML/TF/PF) or predicate offences (hereinafter together also referred to as Criminal Activity), as well as to ensure freezing of property of persons related to TF and PF.
6. The FMC has the following tasks:
 - 1) Analyzing reports on suspicious transactions or business relationships based on information received from reporting entities, state bodies and organizations; submitting notifications on reasonable suspicions of ML/TF to authorities involved in operational intelligence, as well as to public participants in proceedings;
 - 2) Performing strategic assessments for the purpose of identifying and preventing ML/TF/PF risks, including conduction of national risk assessments
 - 3) Representing the Republic of Armenia in international structures involved in combating criminal activity, including effective cooperation with international counterparts;

- 4) Raising public awareness, including enhancement of knowledge of reporting entities and competent state authorities in preventing criminal activity; including building relevant capacities therefor.
7. The FMC performs the following functions and authorities stipulated by the Law for the purpose of combating ML/TF/PF and Criminal Activity:
 - 1) Receiving reports from reporting entities, state bodies and organizations, as well as receiving and processing other information, including:
 - a. Receiving reports from reporting entities on transactions subject to mandatory reporting and on suspicious transactions or business relationships;
 - b. Receiving and obtaining other information from state bodies, including statistical information stipulated by the Law, and maintaining statistics;
 - 2) Performing operational analyses of reports and other information received, including:
 - a. Performing analyses based on reports on suspicious transactions or business relationships, as well as on transactions or business relationships detected as a result of matches with monitoring lists, typologies and high-risk criterion or suspicious transactions, mandatory reporting instructions issued to reporting entities;
 - b. Performing analysis based on information received from authorities involved in operational intelligence, public participants in proceedings, other competent authorities or other sources;
 - c. Requesting from reporting entities, state bodies (including supervisory and operational intelligence authorities, public participants in proceedings) additional information (including information constituting secrecy stipulated by applicable law) necessary to perform the analysis specified in Sub-Clauses (a) and (b) above;
 - d. Providing regular feedback to reporting entities on the reports received;
 - 3) submitting notifications to authorities involved in operational intelligence, as well as to public participants in proceedings;
 - 4) Developing legislative documents stipulated by the Law, including guidance on enforcement procedures of legislative documents, as well as developing and providing relevant clarifications;
 - 5) suspending suspicious transactions or business relationships;
 - 6) Issuing instructions to reporting entities, including:
 - a. Instructions to identify certain transactions or business relationships as suspicious, as well as to suspend, refuse or terminate certain transactions or business relationships;
 - b. Instructions to perform enhanced customer due diligence;
 - c. Instructions to undertake relevant measures in relation to persons that are located or reside in or originate from non-compliant countries or territories;

- 7) Publishing lists of non-compliant countries or territories, as prescribed by the Law, identified as such based on information from international structures and foreign countries;
- 8) Organizing trainings for enhancing the capacity of reporting entities in combating criminal activity, and, where necessary, providing support to trainings organized by other bodies;
- 9) Cooperating with bodies authorized to supervise (license, appoint, certify or otherwise grant permission for activities of) reporting entities, which includes:
 - a. Filing a motion to enforce sanctions on reporting entities;
 - b. Assist in supervision over reporting entities, including through participation in supervision;
- 10) implementing measures aimed at applying the responsibility measures prescribed by the Law and the Republic of Armenia Code on Administrative Offenses against and exercising supervision over reporting entities that do not have supervisory bodies defined by Law, or in respect of which there is no legal regulation of the implementation of the functions assigned to the supervisory body in the field of combating ML/TF;
- 11) cooperating with competent state bodies on issues of combating Criminal Activity, including exchanging information arising from the purposes of the Law, and concluding cooperation agreements;
- 12) Cooperating with foreign financial intelligence units, including exchanging information arising from the purposes of the Law, and concluding cooperation agreements;
- 13) Cooperating with competent international structures; presenting the interests of the Republic of Armenia in international structures; raising public awareness with regard to international initiatives on combating Criminal Activity;
- 14) Presenting annual reports on FMC activities to the Board of the Central Bank and publishing these reports;
- 15) Performing strategic assessments, which includes:
 - a. Organizing the activities for performing national risk assessments on ML/TF/PF;
 - b. Collecting and analyzing data on high ML/TF/PF risks and their periodic occurrences (methods, schemes) or trends, developing and publishing high risk and suspicious criteria/typologies based on the results of the analysis;
- 16) Organizing the activities (performing secretary functions) of the Interagency Committee [on combating ML/TF/PF], which encompasses:
 - a. Developing, circulating and agreeing the agenda of Interagency Committee meetings with member agencies;
 - b. Writing and circulating reference documents for the agenda items of the Interagency Committee meetings;

- 17) Performing other functions and authorities stipulated by the Law.
8. The functions and authorities specified in Clause 7 of this Statute are performed by the FMC as prescribed by the Law, the FMC Internal Procedures Manual and other legal acts.

CHAPTER 3. OPERATIONAL PRINCIPLES OF THE FMC

9. In performing its functions and authorities, the FMC is independent of any structural unit of the Central Bank or of any other body. The functional independence of the FMC is guaranteed by its special status within the Central Bank.
10. The FMC independently performs its functions and authorities as stipulated by the Law and this Statute, where necessary in cooperation with structural units of the Central Bank and other competent state authorities, within the scope of signed memoranda of understanding or as part of established business practices.
11. The FMC must ensure necessary conditions for the safekeeping of received, analyzed and disseminated information stipulated by the Law. Such information can only be accessible by competent authorities and persons, as prescribed by the Law.
12. The FMC staff with access to received, analyzed and disseminated information maintain, as prescribed by the Law and the legal acts of the Central Bank, confidentiality of the information constituting secrecy both in the course of performing their duties and after termination thereof, as well as bear responsibility, as stipulated by applicable law, for its illegal disclosure. Such information can only be used for the purposes of the Law.
13. According to the Criminal Procedure Code of the Republic of Armenia, FMC employees cannot be questioned as witnesses, give testimony in court regarding the measures taken by them in accordance with the procedure established by the Law in relation to the information received and analyzed by the FMC, and provided to authorities involved in operational intelligence and to public participants in proceedings.
14. The FMC staff are required to comply with the Code of Conduct and provisions regulating conflict of interest established by the Central Bank.
15. Publicity of the activities of the FMC is achieved through the publication of annual reports specified in Sub-Clause 14 of Clause 7 of this Statute. Annual reports reflect at least on the following:
 - 1) Statistical data on reports filed and other information provided to the FMC during the reporting period;
 - 2) Preventive measures implemented in the field of combating criminal activity, including measures taken to improve the regulatory framework, guide reporting entities, and develop information systems;
 - 3) Cooperation with domestic and international partners, including statistical data on cooperation with law enforcement agencies and foreign partners, work carried out within the framework of the representation function in international structures;
 - 4) Strategic analyses and similar initiatives aimed at identifying ML/TF/PF risks;

- 5) Information on the database and development of data exchange systems of FMC.

CHAPTER 4. RESOURCES OF THE FMC

16. Resources of the FMC are provided through the annual budget approved for the FMC by the Board of the Central Bank.
17. For the purpose of meeting specific needs and tasks, the FMC is entitled to receive technical assistance, including funds and other property, from international donor organizations.

CHAPTER 5. STRUCTURE AND ORGANIZATION OF TASKS OF THE FMC

18. The structure of the FMC comprises the Head of the FMC, the Deputy Head of the FMC, the Legal Compliance Division, the Analyses Division, the International Relations Division, the Information System Design and Development Division, Strategic Analysis and Control Division (the FMC staff).
19. Functions and responsibilities of the FMC staff are specified in their job descriptions.
20. The Head of the FMC:
 - 1) Coordinates the performance of functions and authorities of the FMC;
 - 2) Manages and supervises the performance of functions and responsibilities of the FMC staff;
 - 3) Represents the FMC in relations with competent state authorities in the Republic of Armenia, international structures in the area of combating ML/TF and foreign financial intelligence units, as well as signs cooperation agreements therewith, where necessary;
 - 4) Organizes or participates in discussions, meetings and sessions related to the tasks of the FMC;
 - 5) Participates in meetings of the Board and standing commissions and committees of the Central Bank, where necessary;
 - 6) Serves *ex-officio* as secretary to the Interagency Committee [on combating ML/TF and PF];
 - 7) Performs other functions to organize the activities of the FMC.
21. The Head of the FMC is responsible for the work discipline of the FMC staff, as well as for their performance of duties in a timely and quality manner.
22. The Deputy Head of the FMC:
 - 1) Coordinates ongoing performance of the functions and authorities of the FMC;
 - 2) Carries out ongoing supervision over the performance of functions and responsibilities of the FMC staff;
 - 3) Performs other assignments of the Head of the FMC
 - 4) Undertakes the functions assigned to the Head of the FMC in the absence or upon

the order of the latter.

23. The functions and authorities specified in Clause 7 of this Statute are performed by the Divisions of the FMC.
24. Ongoing support to the activities of the FMC (accounting, procurement, business trips, etc.) is provided by the relevant structural units of the Central Bank in accordance with the procedure established by the Central Bank.