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October 25, 2011, No 285-N

ON APPROVAL OF REGULATION 17/01 "LICENSING OF PAYMENT AND SETTLEMENT ORGANIZATIONS; REGISTRATION OF BRANCHES; QUALIFICATION OF MANAGERS OF PAYMENT AND SETTLEMENT ORGANIZATIONS; REQUIREMENTS ON PLACE OF BUSINESS OF PAYMENT AND SETTLEMENT ORGANIZATIONS", REPEAL OF THE REPUBLIC OF ARMENIA CENTRAL BANK BOARD RESOLUTION No 240-N, DATED MAY 24, 2005, AND No 241-N DATED MAY 24, 2005

With the view to establishing procedures on licensing, regulation and control over activities, suspension and termination of license, registration of branches and qualification of managers of payment and settlement organizations and defining requirements on place of business of payment and settlement organizations on technical capacity, software and security;

Pursuant to Articles 20-22 of the Republic of Armenia Law "On Payment and Settlement Systems and Payment and Settlement Organizations", Part 1 of the Republic of Armenia Government Decree No 636-N, dated April 28, 2011 "Next Steps in Order to Improve Business Environment in the Republic of Armenia and Amendments in Several Republic of Armenia Government Decrees", and in accordance with clause "e" Article 20 of the Republic of Armenia Law "on Central Bank of the Republic of Armenia" and Article 16 of the Republic of Armenia Law "On Legal Acts", the Republic of Armenia Central Bank Board herewith,

Decides:

Repeal the Republic of Armenia Central Bank Board Resolution No 240-N, dated May 24, 2005, "On Approval of Regulation 16 "Licensing of Organizations Executing Cash (Monetary) Transfers; Registration of branches and Representative Offices; Regulation of Activities; Qualification of Managers"" and the Republic of Armenia Central Bank Board Resolution No 241-N, dated May 24, 2005, "On Approval of Regulation 17 "Licensing of Organizations Processing and Clearing of Payment Tools and Payment and Settlement Documents; Registration of branches and Representative Offices; Qualification of Managers"".

1. Approve Regulation 17/01 "Licensing of Payment and Settlement Companies; Registration of branches; Qualification of Managers of Payment and Settlement Organizations, Requirements on Place of Business of Payment and Settlement Organizations" in accordance with the Appendix (see attached).
2. This Resolution shall enter into force on the tenth day after promulgation, except clause 2, paragraph 6 of the Appendix approved by this Resolution, which shall enter into force on July 1, 2012.

Republic of Armenia
Central Bank Chairman **Artur Javadyan**

October 31, 2011
Yerevan

APPENDIX
Approved by
Republic of Armenia
Central Bank Board
Resolution No 285-N, dated October 25, 2011

REGULATION 17/01

LICENSING OF PAYMENT AND SETTLEMENT ORGANIZATIONS; REGISTRATION OF BRANCHES; QUALIFICATION OF MANAGERS OF PAYMENT AND SETTLEMENT ORGANIZATIONS; REQUIREMENTS ON PLACE OF BUSINESS OF PAYMENT AND SETTLEMENT ORGANIZATIONS

SECTION 1. GENERAL PROVISIONS

1. This Regulation establishes procedures on licensing, regulation and control over activities, suspension and termination of license, registration of branches and qualification of managers of payment and settlement organizations and defining requirements on place of business of payment and settlement organizations in terms of technical capacity, software and security of companies executing processing and clearing of payment tools and payment and settlement documents (hereinafter, referred to as processing and clearing organizations) and organizations executing cash (monetary) transfers (hereinafter, referred to as Payment and Settlement Organizations) in the territory of the Republic of Armenia.

2. This Regulation applies to organizations and their branches established or operating in the territory of the Republic of Armenia, which have the license for provision of payment and settlement services, stipulated by the Republic of Armenia law “On Payment and Settlement Systems and Payment and Settlement Organizations”.

3. This Regulation does not apply to banks and their branches operating in the territory of the Republic of Armenia, as well as on persons, which pursuant to the Republic of Armenia laws and international agreements are eligible to carry out business activities on acceptance and execution payment of payments on behalf of third persons without opening banking accounts and/or processing and clearing of payment tools and payment and settlement documents.

4. Documents required under this Regulation shall be submitted to the Central Bank in printed form and in Armenian language. Copies of the submitted documents shall be signed by the competent person of Payment and Settlement Organization and contain inscription “Corresponds to Original”.

SECTION 2. PAYMENT AND SETTLEMENT ORGANIZATIONSՈՒՆՆԵՐԻ ԼԻՑԵՆԶԱՎՈՐՈՒՄԸ

5. In order to receive license for provision of payment and settlement services, an organization shall comply with the following terms and conditions:

1) Payment and Settlement Organization shall be registered as a legal person by the Republic of Armenia State Register of Legal Persons;

2) Payment and Settlement Organization may not carry out trade, manufacturing or other types of activities, except dealer/broker buy and sale of foreign exchange and provision of postal services based on the respective license and as stipulated by laws and other legal acts;

3) Managers of Payment and Settlement Organization shall comply with qualification and professional integrity criteria established by Paragraph 109 of this Regulation. Herewith, managers of Payment and Settlement Organization are the Chief Executive Officer, Deputy Chief Executive Officer and Chief Accountant (hereinafter, referred to as manager);

4) Payment and Settlement Organizations and their branches shall have premises which they own by property right, or lease (sublease), or which they have received with the right of for free use. Rights ensuing from the contract on lease (sublease) or free use of premises shall be registered by the State Committee of Real Estate Cadaster of the Republic of Armenia Government, whereby the remaining effective period of the contract as of the date of its submission to the Central Bank shall be at least one year;

5) Place of business of Payment and Settlement Organization executing cash (monetary) transfers shall be in compliance with the requirements defined by Section 3 of this Regulation;

6) Payment and Settlement Organization shall comply with technical capacity, software and security requirements defined by Section 4 of this Regulation, as well as with the terms, conditions and periods established for provision of payment and settlement services;

7) Payment and Settlement Organization shall ensure availability of cash on its banking account opened in one of the commercial bank operating in the territory of the Republic of Armenia in the amount specified by paragraph 1.1, Article 23 of the Law;

8) Payment and Settlement Organization executing cash (monetary) transfers shall (in case of executing cash transfers) have a cash vault room (with safety area), or a room with fireproof safe, or shall sign a contract with a cash collection company on provision of cash collection services, whereby the remaining effective period of the contract as of the date of its submission to the Central Bank shall be at least one year; furthermore, where the organization executing cash (monetary) transfers executes cash transportation independently, it shall establish procedure on cash transportation;

9) Where Payment and Settlement Organization collects payments through payment collection terminal as defined by the rules “On Carrying Out Financial Operations Through Automatic Self-Service Devices”, approved by the Central Bank Board Resolution No 209-N, dated August 16, 2011 “Rules on Installation and Operation of Automatic Self-Service Devices and Carrying Out Financial Operations Through Them” (hereinafter, referred to as payment collection terminal), Payment and Settlement Organization shall at the same time have licenses both for cash (monetary) transfer organization and processing and clearing organization.

6. In order to obtain license for provision of payment and settlement services, founders of an organization, or person duly authorized by them shall submit to the Central Bank documents as follows:

1) application for receiving the license as per Appendix 1;

2) Charter of Payment and Settlement Organization approved in accordance with procedure established by the Republic of Armenia legislation in three copies. Accordingly, liability to submit the Charter and/or its copies is deemed fulfilled, if information contained

in the application indicated in clause 1 of this paragraph, shows state registration number of the company subject to licensing (hereinafter, referred to as licensable company);

3) Decision of the competent body on appointment of the managers of Payment and Settlement Organization, as well as copy (copies) of certificate (certificates) on professional qualification of manager (managers) issued by the Central Bank in accordance with the requirements established by paragraph 122 of this Regulation;

4) Information about participants of Payment and Settlement Organization, in accordance with Appendix 2 and Appendix 3;

5) Receipt confirming payment of stamp duty for receiving the license;

6) Business procedures of Payment and Settlement Organization, which may differ depending on type of provided payment and settlement services. In the meaning of this Regulation, business procedures of Payment and Settlement Organization is deemed portfolio of the following documents defined in the insert of the license, depending on the type of Payment and Settlement Organization, and approved by its supreme management body:

a) For Payment and Settlement Organization executing cash (monetary) transfers:

- document describing procedure on cash collection;
- document defining types of provided payment and settlement services, terms, conditions and periods of their execution;
- document defining terms, conditions and periods for making payments outside of its place of business without creation of a branch;
- document defining procedure on customers appeal in case of payment related errors; terms conditions and periods for acceptance of the applications.

b) For organization executing processing and clearing:

- rules, terms and conditions and periods for execution of processing, i.e. document defining terms and conditions of acceptance, processing, exchange and accreditation of payment and settlement documents and payment tools,
- document describing safety procedures applied during exchange and processing of information;
- document defining rules, terms and conditions of clearing.

7) Business plan of Payment and Settlement Organization in accordance with Appendix 4;

8) Information on actual cash balance on the banking account in one of the commercial banks operating in the territory of the Republic of Armenia;

9) Letter containing information about managers of Payment and Settlement Organization in accordance with Appendix 5;

10) Information about postal address, at which the licensable person could receive the license for Payment and Settlement Organization in order to be able to provide payment and settlement services, with the attached insert/inserts or other information relevant to it/them;

11) copy of the certificate on state registration of title, lease (sublease) or fee free use of manager's premises and copy of the respective contract with notary verification;

12) "List of Submitted Documents" signed and sealed (if seal is available) by the competent person of the Payment and Settlement Organizations in accordance with Appendix 14. The list shall indicate the attached documents in the consecutive order.

7. Upon receiving documents and information established by paragraph 6 of this Regulation, the Central Bank shall review them and, within two month period defined by law, take a decision on granting licensable organization with the license of Payment and Settlement Organization or rejecting the application for license. The Central Bank may extend the two month period, defined hereof, for a period of up to one month, with the view to clarifying certain facts.

8. If documents provided by licensable Payment and Settlement Organization are incomplete, or if the Central Bank decision on provision or rejection of license was suspended for a period up to one month in order to clarify certain facts, the Central Bank

shall notice in writing thereof not later than on the 30-th day after submission of the documents, whereupon the organization shall submit to the Central Bank corrected, and/or missing, and/or clarifying documents within 10 days. Where the organization fails to submit the necessary corrections (documents or clarifications), the application for license shall be rejected because of incomplete documentation.

9. Subject to compliance with the requirements listed below and submission of the respective documents, organization shall be licensed:

1) a document (cash receipt) verifying deposition of the amount defined by clause 7, paragraph 5 of this Regulation on the banking account opened in one of the commercial banks operating in the territory of the Republic of Armenia is available;

2) on-site inspection performed by the Central Bank confirms that premises acquired or leased by Payment and Settlement Organization for carrying out its business, the existing technical capacities, safety conditions and applicable software comply with the requirements established by Sections 3 and 4 of this Regulation;

3) managers of the licensable organization meet with qualification and professional integrity requirements established by Section 12 of this Regulation;

4) grounds defined by Article 20.1 of the Law do not exist;

5) (in case of carrying out operations with cash) cash vault (and the safety area), or room with fireproof safes or contract signed with cash collection organization is available.

10. If documents submitted to the Central Bank contain non-material errors, which can be corrected, the Central Bank shall indicate them to the licensable company so that the latter could correct them, or shall correct them itself, sending prior notice thereof to the licensable company. If documents submitted to the Central Bank are incomplete, the Central Bank shall request the licensable company to provide a complete version within the established period.

11. Within three days after taking decision on granting license to the licensable company, the Central Bank shall issue the license for Payment and Settlement Organization in accordance with Appendix 6.

12. Subject to presence of grounds defined by Article 20.1 of the Law, the Central Bank shall reject the application for license, if:

1) false or inaccurate information is provided;

2) provided documents are incomplete or do not comply with the Republic of Armenia laws and other legal acts;

3) cash resources registered in the banking account opened at one of the commercial banks for formation of the total capital of the organization are below the floor established by law;

4) place of business of Payment and Settlement Organization does not comply with the requirements established by Section 3 of this Regulation, as well as requirements on technical capacities, safety conditions and applicable software;

5) managers of Payment and Settlement Organization do not comply with qualification and professional integrity requirements established by Section 12 of this Regulation;

6) the organization does not comply with the requirements established by Republic of Armenia Central Bank Regulation “Lease Requirements to Financial Institutions on Combatting Money Laundering and Terrorism Financing”;

7) Payment and Settlement Organization fails to ensure compliance with the terms and conditions on provision of payment and settlement services as defined by its business procedures.

13. In case of rejecting the application for license, the Central Bank shall notice in writing the licensable organization of such decision, specifying reasons and legal grounds for such rejection.

14. In case if the application for license was rejected, the licensable organization is entitled to submit a new application for license through the same procedure.

SECTION 3. TECHNICAL CAPACITY AND SAFETY REQUIRMENTS TO BUSINESS PLACE OF ORGANIZATIONS EXECUTING CASH (MONETARY) TRANSFERS

15. Subject to compliance with all the requirements listed below, contract on lease or free use of premises specified by clause 4, paragraph 5 of this Regulation shall not be required for registration of branches of organization executing cash (monetary) transfers in premises of mobile cellular or fixed telephone communication operator (hereinafter, referred to as telecommunication operator):

1) agreement is signed with organization executing cash (monetary) transfers and telecommunication operator on provision of services related to cash (monetary) transfers in the respective premises;

2) branch premises are video recorded so that person making payment and process of transaction are pictured;

3) video recordings specified by clause 2, above, are available for the organization executing cash (monetary) transfers, are kept at least for 90 days, and can be provided at the first request of the Central Bank;

4) security alarm system is operated.

16. Requirements defined by clauses 2, 3 and 4, paragraph 15 of this Regulation, shall be included in the contract concluded with telecommunication operator.

17. The space in the headquarters of the organization executing cash (monetary) transfers and its branches, where operations relating to activities envisaged by license are executed in cash, shall be located within a closed zone. Such space in the headquarters of the organization executing cash (monetary) transfers and its branches shall be separated from other neighboring areas. Headquarters shall be separated from the neighboring areas by stone or concrete based walls, whereas its branches shall be separated with walls made at least of building materials, pursuant to requirements specified by this Section for the vault area (room with fireproof safes), unless otherwise established by paragraphs 18 and 19 of this Regulation.

18. If a branch located in the premises of telecommunication operator does not have vault area (room with fireproof safes), such branch shall be separated from the neighboring area in accordance with the requirements specified by paragraph 21 of this Regulation.

19. Contract on lease or free use of premises specified by clause 4, paragraph 5 of this Regulation, shall not be required for registration of branches of organization executing cash (monetary) transfers in premises of a village community (hereinafter, referred to as rural municipality) subject to agreement on provision of payment and settlement services in the respective premises concluded between the rural municipality and the organization executing cash (monetary) transfers. Branch, operating in the premises of a rural municipality, shall be separated from the neighboring area by stone or concrete based walls, have lockable iron door, whereby windows of the external wall shall have grates. If the entrance door of the branch is located in the internal part of the rural municipality building, it can be made of wood, provided that the door is locked with an iron grated second door. Ceiling, walls and floor of the branch shall have stone or concrete base.

20. Premises of organizations executing cash (monetary) transfers and their branches (in case of executing transactions with cash) shall be equipped with:

1) Operational cash desk room (hereinafter, referred to as cashier's office),

2) Vault area (with safety zone) or room with fireproof safes. Vault area (room with fireproof safes) and cashier's office together form a cash desk center, which is envisaged for carrying out cash operations, providing cash desk services to customers, ensuring safe maintenance of cash and other valuables;

3) customer service hall;

4) operational security alarm system.

21. Cashier's office shall be separated from neighboring areas. It shall have a separate lockable door which shall serve as the only possibility of access to the respective area. The height of the frontal part of the cashier's office wall shall be 1-1.2 m., followed by

a glass part. Frontal part of the cashier's office glass shall be installed in such a way as to prevent direct contact between customer and cash desk operator, as well as ensure visual control over counting of cash for both parties (customer's control over cash desk operator and cash desk operator's control over customer).

22. Requirement of paragraph 21 of this Regulation shall be deemed fulfilled for the branch operating in premises of telecommunication operator where cashier's office is separated from the neighboring area, has separate staff entrance, which may also serve as entrance for the staff of the telecommunication operator. The height of the frontal part of the cashier's office wall shall be 1-1.2 m., whereby glass part is not necessary.

23. Requirement of paragraph 21 of this Regulation shall be deemed fulfilled for the branch operating in premises of the rural municipality where the height of the frontal part of the cashier's office wall is 1-1.2 m. and width of the frontal part service desk is 0,4-0,5 m., whereby glass part is not necessary.

24. Vault area or fireproof safes are not necessary if the respective contracts on daily transportation of cash are concluded with a person providing cash collection services. Immediately upon expiry of the effective period of such contracts, new contracts shall be signed and within 15 days the Central Bank shall be furnished with a document verifying their conclusion, or prolongation of previous contracts.

25. Prior to cash collection, cash shall be kept in a fireproof safe installed in the cashier's office.

26. The room with fireproof safes shall have one lockable door, whereby access thereto shall be only from the cashier's office. The room with fireproof safes shall be separated from the neighboring areas by walls with stone or concrete base, whereby windows of the external wall (if available) shall have grates.

27. Vault area shall be constructed without windows, have stone or concrete base and one armored fireproof door. Access to vault area shall be only from the cashier's office.

28. Vault area shall not have a common wall with the external walls of the building and walls of other offices located in the building. In case if vault area is constructed closely to the external walls, of the building and walls of other offices located in the building, there shall be a lookout corridor between them, which will allow to watch and control security of the vault area (control safety).

29. If another organization is located above the vault area (or vault area is on the top floor of the building), the vault area shall be separated from the ceiling with a lookout corridor, which will allow to watch and control security of the ceiling. In case if there is no vault area, it is not necessary for the organization to collect cash available in the cashier's office, if balance of cash in the cashier's office at the close of business does not exceed the amount established by the Central Bank prudential standards, and if it is kept in a special fireproof safe, pegged to the floor and/or the wall of the cashier's office.

30. Customer service area shall be located within a closed zone, isolated from the external environment, and shall ensure safety of the customer during execution of the transaction. Existence of such sub-area is not necessary for branches located in the premises of a telecommunication operator.

31. Organization executing cash (monetary) transfers shall have 24 hour fire protection and security protection alarm systems. Furthermore, 24 hour fire protection alarm system shall be connected to the specialized fire-protection organization, whereby, subject to the respective contract, operation of the 24 hour security protection alarm system shall be performed by the Republic of Armenia Police of the Republic of Armenia Government, or by duly licensed guarding service.

32. If the headquarters/branches of the Payment and Settlement are located in premises, which have internal 24 hour guarding (security) service, or 24 hour fire protection and security protection alarm systems, the above requirement shall be deemed fulfilled, provided that 24 hour fire protection and security protection alarm systems of premises of the organization executing cash (monetary) are connected to 24 hour guarding (security) service and 24 hour 24 hour fire protection alarm system, as verified by the respective documents.

33. Provisions of paragraphs 31 and 32 of this Regulation shall not apply to branch operating in the premises of a rural municipality. Such branches shall have fire extinguishers, which shall be installed in accordance with the fire-prevention rules.

34. Premises of the headquarters and branches of organization executing monetary (cash) transfers shall be video recorded, so that persons making payment and process of transaction are pictured. Video records shall be retained for at least 90 days and shall be made available to the Central Bank at its first request. The requirement specified above is not binding for branches operating in the rural municipality premises.

35. Premises of the headquarters and branches of organization executing monetary (cash) transfers shall be equipped with the following technical capacities:

1) fire proof safe (if operations are carried out by cash);

2) device, which checks authenticity of a cash note (if operations are carried out by cash);

3) a plate indicating name of the licensed person, business days and hours;

4) communication device between a branch and the headquarters, which will allow to reflect in the main data base and balance sheet of the organization transactions carried out by the branch;

5) hardware and software devices (computer, server, etc.) shall be sealed, in order to prevent/restrict direct download of information and software by staff, or its saving by external carriers and other devices.

36. Customer service hall of organization executing monetary (cash) transfers, or frontal area of cashier's office (where operations are carried out by cash), shall exhibit, a copy of the license issued by the Central Bank fixed in a visible place for customers, name of the organization executing monetary (cash) transfers (indicated on a plate), types and tariffs on rendered payment and settlement services, business days and hours and foreign exchange rates (in case of carrying out foreign exchange change operations as specified by paragraphs 1 or 2 of this Regulation).

37. The requirements defined above are summarized in the form of guidelines in Appendix 11 of this Regulation, as applicable and by types of entities.

38. Organization executing monetary (cash) transfers may make payments outside of its business place without creation of a branch.

39. In case defined by paragraph 38 of this Regulation, organization executing monetary (cash) transfers may make payments outside of its business place (hereinafter, referred to as distance payments) through couriers, by signing executive contract with them.

40. Organization executing monetary (cash) transfers shall be fully liable for proper execution of distance payments through couriers.

41. Organization executing monetary (cash) transfers may not provide more than 2 million Armenian Drams (AMD) of lump sum to each courier for execution of each distance payment.

42. Requirements specified under this Section shall not apply to automatic teller machines installed outside of the headquarters and branches of the organization.

SECTION 4. HARDWARE AND SOFTWARE REQUIREMENTS AT LICENSING AND BARNCH REGISTRATION STAGES OF PAYMENT AND SETTLEMENT ORGANIZATIONS

43. Payment and Settlement Organization shall ensure execution, accounting and maintenance of data on its current or main operations through program “Operational Day”, which shall be available at least in its headquarters’ office. Program “Operational Day” is a combination of hardware and software resources for automatic processing of messages, execution of transfers, accounting and carrying out other operations.

44. Where Payment and Settlement Organization plans to outsource some operations to another person, with the view to ensuring its business activities, the latter

shall act in compliance with methodological guidelines established by prudential standards of the Central Bank.

45. Where Payment and Settlement Organization developed its own programmatic systems, the following shall be available:

1) clearly developed terms of reference and requirements;

2) requirements on informational security of the system;

3) address of program code;

4) file/files of the used application program;

5) list of members of the testing group, their professional qualification, minutes of testing, conclusions of the members of testing group, signatures of the executive director and other participants;

6) documents verifying that the staff members who use programmatic systems have participated in the testing;

7) guidelines for software users or other guiding books, documents, investment/localization manuals.

46. Payment and Settlement Organization shall have a fireproof safe for maintenance of the archive.

47. Servers of Payment and Settlement Organization shall be kept in special server room, which shall comply with the following provisions:

1) have a separate entrance with automatically closed and locked door;

2) have fire-prevention alarm system and movement sensors and, if there are windows, breakage sensors and grids on windows (for rooms with windows, which are below the second floor);

3) have a room temperature controlling system and air conditioning system;

4) conduct 24 hour video recording and video monitoring. The video control system shall be installed in server room and cover at least computer (computers) and adjusting areas of Payment and Settlement Organization's server room in such a manner that persons approaching the computer (computers) are visible. Such video recordings shall be performed and archived by the licensable organization and maintained at least for 90 days.

5) have back-up server or computer with regular information update on a daily basis;

6) have back-up electricity supply system (motor generator, solar battery or other appropriate equipment);

7) have test results available (documented) for switching off from main to back-up electricity supply system;

8) have uninterrupted power supply system (UPS) devices, which, while in operation, shall allow switching off from main to back-up electricity supply system without loss of information;

9) all computers shall be protected with antivirus system, data base of which shall be regularly updated by the last published antivirus version;

10) where staff of Payment and Settlement Organization has Internet access, the appropriate intranet screens (firewall) shall be available in order to ensure screening of certain types of information flows;

48. Payment and Settlement Organizations and their branches shall keep documents regulating the applied hardware/software and security systems and ensure compliance with their requirements.

49. Documents on hardware/software and security systems applied by Payment and Settlement Organizations shall contain provisions on safety control of information related to payment transactions, developments and persons (hereinafter, referred to as information), based on the following principles irrespective of their form of presentation:

1) users of information shall be explicitly identified in order to receive the right of access to information;

2) control over protection of information shall ensure provision of information exclusively to the identified users;

3) appropriate protective mechanisms shall be available, which shall ensure continuity of informational processes in case of any accidents or emergency situations.

50. Sector of informational security activities shall incorporate all elements included in the processes of input, processing and provision of information managed by Processing and Clearing Organization. They include:

1) *all users of information* (staff of all structural units of the organization, individuals and legal persons which are authorized to use services of the organization).

2) *technical capacities, including both the equipment and the surrounding infrastructures, such as:*

a) all computers used for general and special purposes, including personal computers, servers, lap-tops;
b) related equipment;
c) communication means and equipment;
d) local and external net tools;
e) environment control systems, including air conditioners and other cooling/heating equipment;
f) alarm and security equipment;
g) utilities;
h) facilities,
i) other hardware and software systems.

3) *informational resources, such as:*

a) data bases (including: electronic mail boxes, electronic ledgers, archive ledgers, etc.);
b) electronic data files, including hardcopies (in paper, micro tape and other forms) and data under transfer;
c) information received as a result of data processing, irrespective of form of presentation;
d) documents in hard copies (system descriptions and manuals, guidelines, rules and business procedures).

4) *software, including system and application programs developed by company or acquired from external sources, including:*

a) electronic payment and settlement systems;
b) operational systems, computer programs;
c) data base management systems;
d) network system software;
e) communication systems management software;
f) special purpose software (antivirus systems, control and alarm software, etc.).

5) *information exchange channels:*

a) connections to external computer networks;
b) electronic mail services, other services on information transfer through external networks;
c) flows of information carriers (electronic, hardcopy, etc.);
d) physical channels.

51. Information security measures shall be aimed at ensuring high level of protection of information processes and information resources used within them. Main requirements on physical protection of information provided in any form (electronic, hardcopy, oral speech. Etc.) are as follows:

1) access to areas ensuring communication and operational capabilities of organization is allowed only to staff responsible for the performance of the respective system. Access of other persons may be allowed only subject to presentation of a relevant permit signed by the head of the organization;

2) rooms for management of information technologies, storage of data bases and archive carriers shall have booster protection;

3) work rules shall be developed and stored together with the external carriers (magnetic, laser or other), restricting their transportation and carrying out from premises of the organization;

52. Software operated by clearing and processing organization shall have the necessary documents, which include description of software, user and (or) administrator manual and other documents, necessity for which may arise during operation.

53. During testing of software, data containing confidential information may not be used. Exceptions include such changes, which are made with the view to eliminating software errors, whereby such process shall be regulated by the respective documents.

54. Given that operating servers that are directly dealing with clearing and processing, are used for storage of large volumes of confidential and important information, they shall be equipped with adequate safety protection tools:

1) access to server rooms shall be provided through separate entrance with lockable door;

2) list of persons authorized to access the server rooms and rules of access shall be developed and strictly observed;

3) servers, network equipment and working terminals, wherever available, shall be equipped with uninterrupted electricity supply devices, which, while in operation, shall allow switching off from main to back-up system or interrupt the work for some period without loss of information;

4) server rooms shall be video recorded during 24 hours of the day and 7 days of the week and shall be kept under permanent visual control;

5) a document regulating the process of backing up servers and automated systems shall be prepared and it shall explicitly describe performance and scope of responsibilities of each staff member.

55. Computer network of Processing and Clearing Organization shall be viewed as a hardware-software complex subject to informational safety.

56. Direct requirements on clearing and processing are provided below:

1) such information shall as a rule be maintained in encrypted form provided by system software or, if such possibility is not available, other applicable software. Exceptions may include cases where encoding and subsequent decoding of data results in slowing down of the system performance;

2) each case of access to data base shall be registered in the system ledger, which shall be accessible only to a person responsible for informational security and server (system) administrator. Such ledgers shall be available only for read out;

3) it shall be prohibited to decode encrypted information and store it in a decoded form, or to transfer it in any form to other users, or process it in such a way, which can compromise the level of security;

4) general rules on working with information directly associated with clearing and processing operations, as well as procedure on registration and authorization of users, shall be available to all users and strictly obeyed by them.

57. Payment and Settlement Organization shall ensure compliance with the least requirements established by Section VII of the Central Bank standard “Performance of Banks’ Internal Control”, established by March 11, 2008, Central Bank Board Resolution “Approval of Least Requirements for Performance of Internal Control by Banks, Repeal of October 12, 2004, Central Bank Board Resolution No 250-N and March 16, 1999, Central Bank Board Resolution No 40”, tot later than within 6 months after receiving the license issued by the Central Bank (unless the Central Bank defines other period),

SECTION 5. FORM AND RUNNING OF LICENSES LEDGER OF PAYMENT AND SETTLEMENT ORGANIZATIONS AND INFORMATION INCLUDED THEREIN

58. The respective unit of the Central Bank responsible for the process of licensing, shall be running the ledger of licenses provided by it (the form of ledger is established by Appendix 12), which shall be available to the general public and reflect the following information:

1) name of the licensed person;

2) type of license (with the attached insert) and its number;

3) date and number of the decision on issuing the license;

4) date of issuing the license;

5) address of the licensed person;

6) address of place where payment and settlement activities are carried out;

7) information on registration in the ledger of license reissuance, suspension or revocation;

8) information on issued code and grounds for annulling such code;

9) information on the name, address, registration certificate number, registration number, termination of activities of a branch;

59. License forms are deemed strictly accounted documents, which shall have registration number, serial number and shall be registered and maintained by the Central Bank division in charge of the licensing process.

60. Central Bank division in charge of licensing process shall prepare a separate case for each Payment and Settlement Organization, which shall be attached to the license returned due to expiry of its validity.

61. Information from license registration ledger on other persons shall be provided to individuals and legal persons within 3 business days in case if a receipt on payment of stamp duty is available.

62. Information from ledger relating to a Payment and Settlement Organization shall be provided to such persons on a free basis within 3 business days.

SECTION 6. ISSUE OF LICENSE DUPLICATES FOR PAYMENT AND SETTLEMENT ORGANIZATIONS

63. Where the license is lost (destroyed, etc.), Payment and Settlement Organization shall notice the Central Bank and submit application for receiving the duplicate, and at the same time publish the respective announcement in a mass media outlet.

64. Central Bank shall issue the duplicate of lost (destroyed) license or its insert for Payment and Settlement Organization within 3 business days, within 15 days upon publishing of the announcement in a mass media outlet.

65. Where license is rendered unusable, Payment and Settlement Organization shall notice the Central Bank and submit application for receiving the duplicate with the attached unusable original. Central Bank shall issue the duplicate the license for Payment and Settlement Organization within 3 business days after receiving the application.

66. The top right corner of the license duplicate shall be marked with word “Duplicate”.

SECTION 7. REISSUE OF PAYMENT AND SETTLEMENT ORGANIZATION’S LICENSE

67. Where legal address, or place of business, or name of a Payment and Settlement Organization has been changed, Payment and Settlement Organization shall within 15 days in manner established by Law submit to the Central Bank application for reissue of the license and attach the relevant documents verifying provided information.

68. License shall be reissued within 3 business days after registration the Payment and Settlement Organization’s application by the Central Bank.

69. Upon reissue of the license, the Central Bank shall indicate the reissued license in the license registration ledger.

70. Applications for reissue of license shall be rejected by the Central Bank in cases specified by paragraph 12 of this Regulation.

71. For taking decision on applications for reissue of license, conclusion of the Central Bank licensing and control committee is not necessary. However, if there are reasons for rejection of the application, or subject to Payment and Settlement

Organization’s request, the application shall be reviewed at hearings, which for purposes of this Regulations, shall be arranged by the Central Bank licensing and control committee.

72. Stamp duty shall be charged for reissue of license, or provision of its duplicate as per terms and in the amount stipulated by the Republic of Armenia law “On Stamp Duty”.

SECTION 8. REGISTRATION OF AMENDMENTS AND MODIFICATIONS, REJECTION OF REGISTRATION

73. Payment and Settlement Organizations shall submit to the Central Bank the following amendments for registration:

1) changes in legal address, or place of business, or firm name of Payment and Settlement Organization;

2) changes in the list of managers;

3) amendments and/or modifications in the business procedures of Payment and Settlement Organization.

SECTION 9. PROCEDURE ON CHANGES IN LEGAL ADDRESS OR PLACE OF BUSINESS OR FIRM NAME OF PAYMENT AND SETTLEMENT ORGANIZATION AND LIST OF DOCUMENTS AND INFORMATION REQUIRED FOR OPENING AND REGISTRATION OF NEW BRANCHES

74. Payment and Settlement Organization shall submit for the Central Bank’s approval decision on changes in legal address, or place of business of the headquarters or branch, or change of the firm name.

75. In case of establishing a new branch, Payment and Settlement Organization shall apply to the Central Bank for the branch registration.

76. Registration (incorporation) of Payment and Settlement Organization's headquarters and/or branches shall be made pursuant to provisions of Law and this Regulation, whereas registration of installed (connected to the organization's system) payment terminals shall be made through submission of the respective report to the Central Bank.

77. Payment and Settlement Organization may carry out its activities defined by paragraph 38 of this regulation only within the premises of its headquarters and branches registered by the Central Bank and through the installed payment terminals, which allow automatic execution of the transactions subject to instructions of the customers.

78. In order to notice the Central Bank about changes in legal address of the headquarters or a branch, or place of business, or firm name, as well as about establishment of a new branch, Payment and Settlement Organization shall submit to the Central Bank the following documents:

1) the respective decision of the competent management body of the organization;

2) an application for establishment of a new branch, in accordance with Appendix 8, or changes in legal address, or place of business, or firm name, in accordance with Appendix 9;

3) declaration in writing on changes in documents presented earlier;

4) introduced amendments;

5) agreement defined by clause 11, paragraph 6 of this Regulation. In case of a sublease agreement copy of the main lease agreement shall be provided as well;

6) documents verifying conformity with the criteria on branch premises, technical capacities, safety and software, as defined by Sections 3 and 4 of this Regulation, prepared based on the results of the on-site inspections of the Central Bank on adequacy of premises and technical capacities and availability of documents.

79. If Payment and Settlement Organization is planning to establish a foreign branch, it shall obtain consent of the Central Bank by submitting the documents defined in

sub clauses 1-4, paragraph 78 of this Regulation, whereas in case of registration in other country (licensing, accreditation, or signing an agency or other similar agreement established by legislation of that country with an organization carrying out the respective activities), it shall submit to the Central Bank documents verifying such registration (licensing, accreditation, or signing an agreement).

80. Payment and Settlement Organization shall at the Central Bank request submit legal acts regulating payment and settlement sector of the foreign country as necessary.

81. Within one month after receiving documents specified by paragraphs 78 or 79 of this Regulation, the Central Bank shall register the amendments presented in accordance with paragraph 78 of this Regulation, or reject them. Planned amendments shall be submitted for the Central Bank approval.

82. Central Bank shall reject the application if grounds stipulated by Article 20.1 of the Law exist. If the Central Bank does not reject registration within one month, the amendments shall be deemed registered.

83. If the Central Bank approves the application, it shall register the branch and issue registration certificate in accordance with Appendix 7, and introduce amendments and modifications in the registration ledger, whereas in case of rejection, the Central Bank shall notice Payment and Settlement Organization about the reasons for such rejection within five days.

SECTION 10. TECHNICAL CONDITIONS AND FORM FOR SUBMISSION OF AMENDMENTS AND MODIFICATIONS IN BUSINESS PROCEDURES OF PAYMENT AND SETTLEMENT ORGANIZATION TO THE CENTRAL BANK

84. If Payment and Settlement Organization introduces amendments and modifications in business procedures approved by its management body, Payment and Settlement Organization shall submit decision on amendments and modifications to the Central Bank for obtaining its approval.

85. In order to introduce amendments and modifications in business procedures, Payment and Settlement Organization shall submit to the Central Bank the following documents:

1) application on introduction of amendments and/or modifications in business procedures of the organization signed by the person duly authorized by management body of the organization and sealed by corporate seal of the organization (if available);

2) decision of the management body of the organization on introduction of amendments and (or) modifications in the business procedures;

3) copy of the amended and/or modified business procedures and justification of changes.

86. Within 15 business days after submission of the decision on introduction of amendments and modifications in business procedures as per sub-clause 3, paragraph 85 of this Regulation, the Central Bank shall provide its consent, or reject it. The 15 day period may be extended up to 1 month by the Central Bank decision with the view to clarifying certain facts.

87. If the Central Bank does not notice Payment and Settlement Organization about rejection or suspension of the application within the period defined by paragraph 86 of this Regulation, consent is deemed provided. Central Bank shall reject its consent if the amendments and/or modifications are not in conformity with provision of the Law or other laws, as well as other legal acts resulting thereof and this Regulation.

88. If the Central Bank provides consent on introduction of amendments and/or modifications in business procedures approved by management body of Payment and Settlement Organization, documents defined by paragraph 85 of this Regulation shall be attached to personal case file of the organization.

89. Central Bank shall reject introduction of amendments and/or modifications if grounds specified by paragraph 12 of this Regulation exist.

90. If the Central Bank rejects introduction of amendments and/or modifications in business procedures of the organization, the Central Bank shall notice Payment and Settlement Organization about reasons for such rejection.

SECTION 11. PROCEDURE ON CHANGE OF MANAGERS OF PAYMENT AND SETTLEMENT ORGANIZATION; LIST OF DOCUMENTS AND INFORMATION REQUIRED FOR SUCH CHANGE

91. If changes are introduced in the list of Payment and Settlement Organization managers, the organization shall sent a prior notice to the Central Bank about the newly appointed or elected managers in order to receive qualification certificates for them as defined by Section 13 of this Regulation.

92. A person without qualification certificate cannot work as a temporary replacement at manager positions defined above for more than 3 months. the 3 month period for working at a temporary manager position shall apply to all acting managers, i.e. appointment of a new acting manager shall not affect (terminate and then resume anew) the three month period.

93. In order to register or change managers, Payment and Settlement Organization shall submit to the Central Bank the following documents:

1) application letter for registration of managers or introduction of changes in the list of managers in accordance with Appendix 5;

2) decision of the competent body on appointment of managers or introduction of changes in the list of managers.

94. The application and scanned copy of the decision of competent body shall be submitted by the organization only electronically through CBA-Net computer network.

95. In order to register as a manager of a Payment and Settlement Organization, a person shall have the adequate qualification license issued by the Central Bank.

96. Person proposed for registration as manager of a Payment and Settlement Organization shall take interview at the session of the Central Bank licensing and control committee. By the date of registration, manager of a Payment and Settlement Organization shall be familiar with laws and other legal acts regulating activities of a Payment and Settlement Organization as well as internal statutes regulating activities of the respective organization. Furthermore, the candidate for a manager position (chief executive officer, deputy chief executive officer, chief accountant) shall present university diploma and have at least 2 years of professional experience.

97. If the candidate for manager position does not have working experience as defined by paragraph 96 of this Regulation, and (or) highest education, the candidate is entitled to provide to the Central Bank respective documents, information and (or) other proofs of having sufficient knowledge and skills for working at the respective position. Based on the provided documents, information and (or) other proofs, and subject to positive conclusion of the Central Bank licensing and control committee, the Central Bank Chairman may take a decision on registration of the candidate at the respective position.

98. If a manager who previously was registered at the Central Bank applies for registration at a manager position (either in the same organization, or another Payment and Settlement Organization), such person shall be invited to the session of the Central Bank licensing and control committee, as the Central Bank may require.

99. Branch of Payment and Settlement Organization may have a chief accountant, if there is an on-line communication facility between the headquarters and the given branch, i.e. operations carried out at the branch are reflected in the general data base and balance sheet of the organization during the same business day.

100. The requirement of availability of a qualification certificate for manager of the organization branch, as well as the requirement of registration of the branch managers by the Central Bank shall not apply to the process of registration of branches of the organization.

101. The Central Bank shall not register managers of the organization branches. However, the organization shall notice the Central Bank about appointment and change of its branch managers within 10 days after its competent body takes such decision.

102. Subject to the relevant decision of the Central Bank Chairman, managers of a Payment and Settlement Organization shall be registered within ten days after receiving the documents specified by paragraph 93 of this Regulation.

103. Registration of new managers of an organization shall be rejected, provided that:

1) candidates for manager positions do not meet qualification and professional integrity criteria established by paragraph 109 of this Regulation;

2) documents specified under paragraph 93 of this Regulation are incomplete or contain errors.

104. Subject to the decision of the Central Bank Chairman, registration of a manager of a Payment and Settlement Organization shall be cancelled, if:

1) term of qualification certificate has expired and the manager did not receive a new qualification certificate;

2) qualification certificate of a manager was revoked;

3) the organization filed the respective application;

4) reasons stipulated by part 2, Article 22 of the Law have emerged.

105. If an organization dismisses its managers, it shall send to the Central Bank application for canceling registration of such managers within ten business days.

106. In order to cancel registration of a manager at the request of the organization, the said organization shall submit to the Central Bank the following documents within ten business days after its competent body takes such decision:

1) application letter for cancelation of registration of the manager (with explanation of reasons for such cancellation), signed by the authorized person of the organization and verified by seal of the organization (if available);

2) decision of the competent body or extract from the respective minutes on making changes and appointment of an acting manager, if such person has been appointed.

107. If qualification certificate of a manager of Payment and Settlement Organization was revoked, such person may not be registered as a manager of Payment and Settlement Organization within 3 months after Central Bank takes such decision.

SECTION 12. QUALIFICATION AND PROFESSIONAL INTEGRITY REQUIREMENTS ON MANAGERS OF PAYMENT AND SETTLEMENT ORGANIZATION

108. A person may work as a manager of a Payment and Settlement Organization from the date of registration by the Central Bank in accordance with Section 11, or Section 13, or Section 14 of this Regulation.

109. Managers of a Payment and Settlement Organization shall deem to meet the Central Bank qualification and professional integrity criteria provided that:

1) they have qualification certificate defined by 122 of this Regulation;

2) reasons for rejection of the candidate for manager stipulated by part 2, Article 22 of the Law do not exist;

3) positive conclusion was drawn at the interview conducted by the Central Bank licensing and control committee in accordance with paragraph 96 of this Regulation.

SECTION 13. PROCEDURE ON VERIFICATION OF QUALIFICATION AND PROFESSIONAL INTEGRITY OF A CANDIDATE FOR MANAGER POSITION OF A PAYMENT AND SETTLEMENT ORGANIZATION

110. Verification of qualification and professional integrity of a candidate for a manager position (hereinafter, referred to as candidate) shall be made through a written examination (hereinafter, referred to as examination), conducted by Testing Service of the Central Bank (hereinafter, referred to as Testing Service) or, pursuant to the Central Bank Board decision, another organization.

111. If, pursuant to the Central Bank Board decision, examination is carried out by another organization, procedures on preparation of examination tests, introduction of amendments and modifications therein, registration of candidates for examination, acceptance of documents, carrying out of examinations, evaluation of examination results, appeals, as well as submission of the necessary documents to the Central Bank shall be developed by the respective organization in coordination with the Central Bank.

112. In order to participate in the examination, candidates shall register in advance. Participants may register either by phone, or through entering data in the respective page of the internet site.

1) fixed examination days shall be defined for each quarter, information on which shall be published in the internet site of the Central Bank before the 10-th day of the first month proceeding the respective quarter.

2) Candidates may register on any day and hour by making a phone call to phone number indicated in the Central Bank internet site and leaving a message with data defined below:

a) name and surname,

b) type of qualification,

c) month, day and hour of participation in examination according to the published schedule (optional),

d) contact phone number.

3) In case of registration through the Central Bank internet site, in addition to data established by clause 2 of this paragraph, candidates shall also provide information on their passport or other identification document, and leave the e-mail address (if available).

4) In case if it is not possible to arrange examination on the day and (or) hour suggested by the candidate, or if the candidate does not suggest day and (or) hour of the examination, a staff member of Testing Service shall notice the candidate on the possible day and (or) hour of the examination within three business days after registration of the candidate at the Central Bank.

113. Candidates shall participate in the examination on the fixed examination date by providing the following documents:

1) passport or other identification document and its copy;

2) receipt confirming payment of stamp duty.

114. Examination shall be carried out by computer in a form of a test.

1) Test is a document containing queries, developed by the Central Bank in advance, and based on the list of published topics.

2) Tests with all amendments and modifications thereto shall be personally approved by the Chairman of the Central Bank and shall not be subject to disclosure.

3) Tests shall be designed with the view to checking candidate's knowledge about business of the organization, licensing, regulation and control over activities, accounting, tax legislation and general economics.

115. A test shall consist of 30 queries. Candidates shall have 30 minutes in order to complete the test.

116. Each query of the test shall have several options for answer, of which only one is correct.

117. In case of provision of correct answer for each query, the candidate shall receive one point, while in case of a wrong answer or no answer, zero point.

118. Candidates who do not know Armenian may use translator at the examination, in which case presence of the respective staff member of the Central Bank is compulsory. Duration of the examination for candidates of a manager position who do not know Armenian may be prolonged subject to permission of the Head of Legal Department of the Central Bank.

119. Examination shall be conducted in a separate room and its course shall be controlled by video recording.

1) A candidate shall be allowed to enter the examination room upon providing passport or other identification document, and take a seat in front of the respective computer indicated in the list. For candidates who are late, duration of the examination shall not be prolonged.

2) Candidates shall receive information on technical aspects of the examination;

3) After announcing start of the examination, candidate shall read the assignments and select one of the three options suggested for each query, which to his opinion provides the most suitable answer.

4) During the examination, a candidate shall be prohibited to use printed, typed, or hand written materials and electronic devices (except the electronic calculators provided by the Central Bank), or to make noise, prompt, speak, ask questions to persons that are present in the room, or leave the room. If a candidate wishes to leave the room, the work of such candidate shall be deemed finished. In case of a failure to meet any of the mentioned requirements, a candidate shall lose the right to continue participation in the examination and shall be considered as achieving a negative outcome.

5) After completion of the work, as well as after expiry of the time allocated for the examination, a candidate shall receive an account of the results of the examination (in two copies), which shall show scores of the candidate in percentage form. The candidate shall sign the account, whereby one copy shall be provided to the candidate and the other kept at the Central Bank.

120. Evaluation and assessment of a candidate's answers shall be made in the following way:

1) if the candidate's score is below 70 percent of the maximum possible score, the candidate is considered as achieving a negative outcome;

2) if the candidate's score is equal or above 70 percent of the maximum possible score, the candidate is considered as achieving a positive outcome and shall receive qualification certificate.

121. Results of the test answers (based on computer information) shall be approved by the licensing and control committee of the Central Bank.

122. Candidates who successfully pass the examination shall receive the qualification certificate in paper form in accordance with Appendix 10, within 15 business days after passing the examination. Information on qualified persons shall be published in the website of the Central Bank, under the list of "Persons Having Qualification Certificate" within 15 business days after passing the examination. The list of the qualified persons shall be updated within two business days after end of the qualification period of the qualified persons or suspension of qualification.

123. Qualification certificates shall be issued for 5 (five) year period starting from the day of their signature. After expiry of that period, qualification certificate shall be rendered void.

124. Candidates achieving negative outcome may participate in the new examination in order to receive the qualification certificate.

125. Candidates may appeal result of the examination within 5 business days after taking the examination, by submitting a written application to the Central Bank in accordance with Appendix 13, or completing the application form placed onto the respective page of the Central Bank website. Within 15 business days after receiving the application, the Central Bank shall notice the appealing candidate about results of the appeal review.

126. If qualified candidates lose their qualification certificates, they shall notice in writing the Central Bank by submitting application for the attention of the Central Bank Chairman. Within 10 business days after receiving the application, a new qualification certificate shall be issued for the qualified person marked as "Duplicate", whereas the previous certificate shall be deemed annulled.

127. A person with qualification certificate of chief executive officer of a bank (head of directorate), deputy chief executive officer of a bank (deputy head of directorate),

member of directorate, head of a foreign branch, chief accountant of a bank or foreign bank branch and deputy chief accountant of a bank or foreign bank branch shall be entitled to work as a manager of a Payment and Settlement Organization in the respective area of qualification without having a license of Payment and Settlement Organization manager.

SECTION 14. REGISTRATION OF MANAGERS OF PAYMENT AND SETTLEMENT ORGANIZATION

128. According to paragraph 11 of this Regulation, upon provision of license to Payment and Settlement Organization, based on the submitted documents on the organization managers, the Central Bank shall at the same time register manager of Payment and Settlement Organization, if the latter meets with the criteria established by paragraph 109 of this Regulation. In case of a change of Payment and Settlement Organization manager, the new manager shall receive work authorization upon registration by the Central Bank, in accordance with Section11 of this Regulation.

129. Immediately upon completion of validity of the qualification certificate, the Central Bank shall annul registration of the Payment and Settlement Organization manager, unless the latter received a new qualification certificate.

SECTION 15. REGULATION OF ACTIVITIES OF PAYMENT AND SETTLEMENT ORGANIZATIONS

130. Organizations executing cash (monetary transfers) may arrange collection of payments in Armenian dram or foreign exchange from individuals and (or) legal persons and (or) their transfer to other persons without banking accounts, including:

1) payments in Armenian dram or foreign exchange from customers (in cash or by transfer); receipt and execution of beneficiary payment orders, including collection of cash and execution of instruction from person who is a party of instruction commission or agency contract on payment to a beneficiary specified in the respective list;

2) collection and execution of cash transfers to beneficiary customers in Armenian dram or foreign exchange (in cash or by transfer), including collection of payments for a beneficiary who is a party of instruction commission or agency contract (such as collection of utility payments, payments to budget, etc.).

131. Services defined by paragraph 130 of this Regulation may be executed through branch network of organization executing cash (monetary) transfers, or another organization eligible for execution of cash (monetary) transfers or systems of cash (monetary) transfers.

132. In case of foreign exchange transfers, collection of payments or provision of cash to beneficiaries by the organization executing cash (monetary) transfers shall be carried out in accordance with the following rules:

1) upon receipt of foreign exchange transfer instruction from a customer that wants to make a transfer, the organization executing cash (monetary) transfers shall collect (customer shall pay) the amount subject to transfer in currency specified by the instruction, whereas, subject to customer's request, the amount subject to transfer may be accepted (paid) in Armenian dram at the exchange rate defined by the organization, unless otherwise established by the respective system of cash (monetary) transfer;

2) upon receipt of a transfer order from a customer that wants to make a transfer, the organization executing cash (monetary) transfers shall transfer the amount to beneficiary in currency specified by the order, whereas in case of customer's request, the amount subject to transfer may be accepted (paid) in Armenian dram at the exchange rate defined by the organization.

133. The organization executing cash (monetary) transfers is not entitled to stipulate its customer to make or accept payment in Armenian dram, if the amount has been transferred in foreign exchange. Commission fees against cash (monetary) transfer services shall be made exclusively in Armenian dram.

134. The organization executing cash (monetary) transfers may carry out operations defined in paragraph 123 of this Regulation, provided that it has placed in a visible place an announcement that the amount subject to transfer or payment shall be accepted or paid by Armenia dram exclusively at customer's request.

135. Organization executing exchange operations other than cash (monetary) transfers defined by paragraph 132 of this Regulation may execute transfers only if it has the respective license (on dealer buy and sale of foreign exchange or buy and sale of foreign exchange).

136. In case of executing transfers in Armenian dram, the organization executing cash (monetary) transfers may collect amounts subject to payment and provide amounts subject to payment to customers exclusively in Armenian dram.

137. Payment and settlement services may be executed based on the instructions in writing (in paper form or electronic) established by the respective documents (procedure on provision of payment and settlement services, rules of cash (monetary) transfer systems, contracts).

138. In case of carrying out exchange operations defined by clause 1 or clause 2, paragraph 132 of this Regulation, in addition to indication of the transfer currency in the invoice issued for customer, as well as the customer's order on execution of monetary transfer (receipt of transfer), the exchange rate and the amount received from customer (provided to customer) in Armenian dram shall be reflected.

139. The organization executing cash (monetary) transfers shall provide to customer a receipt against each rendered service.

SECTION 16. PROCESS OF LICENSE SUSPENSION

140. Application of Payment and Settlement Organization on suspension of license shall be reviewed within 15 days after its receipt. If the application is not reviewed within 20 days after receipt, the application is deemed approved and its validity suspended for the period indicated by Payment and Settlement Organization.

141. Suspension of the validity of Payment and Settlement Organization's licenses based on the application of Payment and Settlement Organization shall be deemed annulled from the next day after expiry of the suspension period.

142. The maximum period for suspension of validity of Payment and Settlement Organization license based on its application submitted to the Central Bank is 12 months.

143. In order to receive consent of the Central Bank on suspension of license, Payment and Settlement Organization shall attach to its application information justifying and explaining the process of suspension in a form of a brief memo, which shall include:

1) reasons for suspension of validity of Payment and Settlement Organization's license (economic justification);

2) balance sheet of Payment and Settlement Organization as of the date of taking decision on suspension of license validity;

3) other information as necessary or as requested by the Central Bank.

144. Application of Payment and Settlement Organization on suspension of license may be rejected, if suspension of the license validity could lead to deterioration of the sustainability of financial sector, as well as in other cases provided by legislation.

145. The Central Bank Board may take a decision on suspension of validity of Payment and Settlement Organization's license for breach of laws and other legal acts.

146. Suspension of validity of Payment and Settlement Organization's license Payment and Settlement Organization shall be deemed annulled from the next day after the day of expiry of the suspension period established by the Central Bank Board decision.

147. Within 5 business days after the Central Bank Board decision on suspension of validity of Payment and Settlement Organization's license, the organization shall submit to the Central Bank information on:

1) balance sheet of Payment and Settlement Organization as of the date of taking decision on suspension of license validity;
2) other information as necessary or as requested by the Central Bank.

148. Upon entry into force of the Central Bank Board decision on suspension of validity of license, the licensed person shall be temporarily deprived of all its rights to provide payment and settlement services, but at the same time shall continue to fulfill all its commitments.

149. The decision of the Central Bank Board decision on suspension of validity of license of Payment and Settlement Organization shall be published in media on the next business day upon entry into force.

SECTION 17. PROCEDURE ON ANNULLMENT OF LICENSE

150. Payment and Settlement Organizations shall attach to its application to the Central Bank on annulment of license a declaration that it has no creditors. In case if there are creditors or if the creditors have been identified during the inspection performed by the Central Bank, and provided the organization is unable to settle their claims, the Central Bank shall initiate process on settlement of creditors' claims in accordance with the procedure stipulated by the Republic of Armenia legislation.

151. Application of Payment and Settlement Organization on annulment of license may be rejected, if the annulment of the license validity could lead to deterioration of the sustainability of financial sector, as well as in other cases provided by legislation.

152. The Central Bank Board may take a decision on annulment of Payment and Settlement Organization's license for breach of laws and other legal acts.

153. Within 5 business days after the Central Bank Board decision on annulment of Payment and Settlement Organization's license, the organization shall submit to the Central Bank information on:

1) balance sheet of Payment and Settlement Organization as of the date of taking decision on annulment of license validity;
2) other information as necessary or as requested by the Central Bank.

154. Upon initiation of the process on annulment of a Payment and Settlement Organization's license for the breach of laws and other legal acts, the Central Bank shall take appropriate measures I order to identify creditors of the organization on cash (monetary) transfers. If such creditors are identified, settlement of the liabilities shall proceed in accordance with the procedure stipulated by the Republic of Armenia legislation.

155. Upon entry into force of the Central Bank Board decision on annulment of license, the licensed person shall be temporarily deprived of all its rights to provide payment and settlement services, and at the same time shall continue to fulfill all its commitments in accordance with the procedure established by the Central Bank Board.

156. Central Bank Board shall render annulment of Payment and Settlement Organization's license also in case of liquidation of Payment and Settlement Organization.

SECTION 18. PROCEDURE ON SUSPENSION OF PAYMENT AND SETTLEMENT ORGANIZATION'S BANKING OPERATIONS

157. In case if Payment and Settlement Organization lacks sufficient resources for meeting its liabilities towards creditors, it shall notice the Central Bank thereof within 1 day.

158. Upon receiving the notice defined by paragraph 157 of this Regulation, the Central Bank Board shall within three days take a decision on suspension of banking operations by Payment and Settlement Organization.

159. Where the Central Bank identifies the fact of insufficiency of resources for meeting liabilities towards creditors, the Central Bank Board shall within three days take a decision on suspension of banking operations by Payment and Settlement Organization.

160. Within 1 day upon entry into force of the Central Bank decision on suspension of banking operations, the Payment and Settlement Organization shall submit to the Central Bank report in the established form, providing the fooling documents:

1) List of creditors, which shall indicate their (passport requisites) or firm names, residential (legal) address and size of liabilities by currencies and types. The list shall also include information on other creditors, liabilities to which are not due yet.
2) Reason/reasons for failure to meet the liabilities.

161. After full settlement of liabilities to customer creditors, the Payment and Settlement Organization shall notice the Central Bank within three days.

162. Upon analysis of the report stated in paragraph 160 of this Regulation, the Central Bank may as necessary supervise the process on settlement of liabilities, by performing on-site inspection within one day.

Appendix 1

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

FORM OF LICENSE APPLICATION OF PAYMENT AND SETTLEMENT ORGANIZATIONS

Republic of Armenia
Central Bank Chairman

Mr./Mrs.----------

Name of Legal Person _____

Legal Form of Organization _____
State Registration Number _____

Type of License _____

Legal Address _____

Mail Address (address, postal index) ----------

Business Address _____

We would herewith request you to issue Payment and Settlement Organization license.

Please find attached:

_____
_____
_____
_____
_____
_____
_____
_____

Founders _____ _____

_____ _____

(Name, Surname) (Signature)

Appendix 2

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

REFERENCE FORM ON PAYMENT AND SETTLEMENT ORGANIZATIONS' PARTICPANTS FOR LEGAL PERSONS

1. Information on legal persons, which are participants of Payment and Settlement Organization
1.1. Name of Payment and Settlement Organization where the legal pesons is qualified shareholder: _____
1.2. Name of legal person, which is a participant of Payment and Settlement Organization: _____
1.3. Name of qualified shareholders of a Payment and Settlement Organization's qualified shareholder _____
1.4. Business address/TIN (for residents)
1.5.Registration date _____ (day/month/year) Place _____
1.6. Description of main business operations
2. Information on holding 10 or more percent of equity in statutory capital of other persons:

Organization name, TIN (for residents)	Business address	Size of owned equity (in dram)	Size of participation (in %)
1.			
2.			

3. Information about participants of organization

3.1. Legal persons with at least 10 percent voting shares

Organization name, TIN (for residents)	Business address	Size of owned equity (in dram)	Size of participation (in %)
1.			
2.			

3.2. Individuals with at least 10 percent voting shares.

Name, surname, Passport number, Social card number (if available)	Residential address	Size of owned equity (in dram)	Size of participation (in %)
1.			
2.			

4. Other information

4.1 Does organization have liabilities to any bank or credit organization in dram or foreign exchange?	Yes		No	

If the answer is "Yes", indicate name of the organization, type of liability, its size and maturities (except overdrafts and credit cards)

4.2. Does the organization have any agreements concluded with banks as specified by paragraph 1.1 of this reference form (except in cases indicated in paragraph 4.1)?	Yes		No	

If the answer is "Yes", indicate name of the company and type of agreement

4.3. Does managers of the organization	Yes		No	

(chief executive office, deputy chief executive officer, or chief accountant)

have liabilities to any bank or credit organization in dram or foreign exchange?

If the answer is "Yes", indicate the name, surname and job title of the person, name of the organization, type of liability, its size and maturities (except overdrafts and credit cards)

4.4. Does a qualified shareholder of the organization have cash (or other) liabilities to the Republic of Armenia banks or credit organizations?	Yes		No	

If the answer is "Yes", indicate the name, or firm name of the participant, name of the organization, type of liability, its size and maturities (except overdrafts and credit cards)

4.5. Do the managers of the organization	Yes		No	

(chief executive officer, deputy chief executive officer, or chief accountant)

at the same time perform as managers in any other bank or credit organization of the Republic of Armenia?

If the answer is "Yes", indicate the name of the organization, and job title in that organization

4.6. Do organizations specified in paragraph 2 of this reference form have liabilities or other contractual relations with any bank or credit organization of the Republic of Armenia? Yes ☐ No ☐

If the answer is "Yes", indicate names of the organizations, type of liability, its size and maturities (except overdrafts and credit cards)

4.7. Other information which you may consider as important

3. *Herewith, I confirm that information contained in this document is true and complete. I recognize that provision of any false document or information shall lead to criminal and administrative liability stipulated by law.*

Name and surname of the chief executive officer _____

Signature _____ Date _____

day/month/year

Seal

Appendix 3
to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

INFORMATION ON PAYMENT AND SETTLEMENT ORGANIZATIONS’
{PARTICIPANTS
FOR INDIVIDUALS

1. Information on individuals who are participants of Payment and Settlement Organization
1.1. Name of Payment and Settlement Organization where the individuals is a qualified shareholder: _____
1.2. Name of the individual who is participant of a Payment and Settlement Organization: _____
1.3. Names and surnames of qualified shareholders of a Payment and Settlement Organization's qualified shareholder _____
1.4. Gender _____ 1.5. Birthdate (year/month/day) _____ day/month/year
1.6. Place of birth _____

1.7. Citizenship

1.8. Passport number, serial number, issuing authority, date of issuance

Social card number (if available)

1.9. Residence address (permanent and actual), phone number

2. Information on holding 10 or more percent of equity in statutory capital of other persons:

Organization name, TIN (for residents)	Business address	Size of owned equity (in dram)	Size of participation (in %)
1.			
2.			

3. Professional experience *(for the preceding 5 years)*

While filling out this paragraph, an individual can provide curriculum vitae, which should at least contain data specified below:

Name, address and phone number of the organization	Dates of starting to work and leaving the organization	Job title	Job responsibilities

4. Other information

4.1. Does participant have liabilities to any bank or credit organization in dram or foreign exchange? Yes ☐ No ☐

If the answer is "Yes", indicate name of the organization, type of liability, its size and maturities (except overdrafts and credit cards)

4.2. Does the participant have any agreements concluded with banks as specified by paragraph 1.1 of this reference form (except in cases indicated in paragraph 4.1)?	Yes		No	

If the answer is "Yes", indicate name of the company and type of agreement

4.3. Do the organizations specified in paragraph 2 of this reference form have liabilities or other contractual relations with any bank or credit organization of the Republic of Armenia?	Yes		No	

If the answer is "Yes", indicate names of the organizations, type of liability, its size and maturities (except overdrafts and credit cards)

4.4. Other information which you may consider as important

5. *Herewith, I confirm that information contained in this document is true and complete. I recognize that provision of any false document or information shall lead to criminal and administrative liability stipulated by law.*

Signature _____ Date _____

day/month/year

Appendix 4

to Regulation 17/01 "Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations"

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

PAYMENT AND SETTLEMENT ORGANIZATION'S THREE-YEAR BUSINESS PLAN FORM

Business plan of a Payment and Settlement Organization shall provide the following information:

Chapter *1. General Provisions*
Chapter *2. Long-Term Development Prospects*
Chapter *3. Methods to Withstand Competition*
Chapter *4. Internal Structure and Principles of Governance*
Chapter *5. Calculation of Capital, Income and Expenses*
Chapter *6. Other Provisions*
Chapter *7. Attached Necessary Information*

CHAPTER 1. GENERAL PROVISIONS

General provisions of a Payment and Settlement Organization business plan shall provide profile the organization, its mission, goals, business directions, and other information as deemed necessary by the organization.

Profile of Payment and Settlement Organization

Payment and Settlement Organization shall provide general information about organization, including name, business address, date of foundation, legal and organizational form, list of participants and their shares, schematic presentation of the organizational structure (which shall show responsibilities of staff members), and other information as deemed necessary by the organization.

Mission of Payment and Settlement Organization

Mission of Payment and Settlement Organization shall be presented, i.e. long-term goal of the organization activities. Mission shall reflect the role of the organization in long-term perspective, its place and peculiarities in the payment and settlement services area.

Goals of Payment and Settlement Organization

Payment and Settlement Organization shall indicate its medium-term goals by order of priority. Goals can be either quantitative, or qualitative, whereas they should be realistic and measurable in terms of execution and performance. The goals shall reflect the role of the organization in medium-term perspective, its place and peculiarities in the payment and settlement services area.

Business Directions of Payment and Settlement Organization

Payment and Settlement Organization shall present detailed description of its economic sector and its business performance therein. This includes inter alia:

1. types of services which have high share in business operations of the organization;
2. target sectors of payment and settlement services market by sectors of economy and regions;
3. main customer groups by regions, residency, legal status and (or) other criteria.

CHAPTER 2. LONG-TERM DEVELOPMENT PROSPECTS

The following information shall be presented:

1) List of services planned by Payment and Settlement Organization and details of their provision;
2) Possible role, share and business area in payment and settlement services market,
3) Description of potential customers of Payment and Settlement Organization, and projection on their quantity in the next three years;
4) Development and growth perspectives of Payment and Settlement Organization, including list of the planned branches;
5) Projection on demand of payment and settlement services, as well as organization's strategy in meeting such demand.

CHAPTER 3. METHODS TO WITHSTAND COMPETITION

This chapter shall describe:

1) Potential competitors of Payment and Settlement Organization in target market;
2) Comparison of services provided in target market (markets) by Payment and Settlement Organization with payment and settlement services provided in the given market by its major competitors;
3) Competitiveness of Payment and Settlement Organization, as well as comparable strengths and weaknesses of Payment and Settlement Organization over its main competitors (such as tariff policy, goodwill, share in market, etc.);
4) Methods to withstand competition.

CHAPTER 4. INTERNAL STRUCTURE AND PRINCIPLES OF GOVERNANCE

This Chapter shall present:

1) Internal organizational structure of Payment and Settlement Organization, names and main functions of structural units and services, changes within them;
2) Approximate management structure;
3) Programs aimed at improving Payment and Settlement Organization's management and staff performance quality;
4) Plan of actions on technical enhancement and introduction of new technologies, including application of new informational technologies and subsequent improvement of information confidentiality protection;
5) Process of arranging and implementation of internal control and requirements on members of committee performing the oversight, including their educational background and professional experience;
6) All procedures and measures implemented with the view to ensuring conformity of Payment and Settlement Organization's activities with provisions of the Republic of Armenia laws, other legal acts, as well as internal by-laws regulating performance (policies, regulations, etc.);
7) Mechanisms to identify, control and manage risks associated with payment and settlement activities;
8) Description of measures on anti-money laundering and terrorism financing (AML/TF), as well as information on staff of legal person or structural unit in charge of implementing such functions;
9) Guiding principles of Payment and Settlement Organization in its relations with customers and partners;

10) Measures to respond to appeals and complaints of Payment and Settlement Organization's customers;
11) Principles on selection of independent auditing organization.

CHAPTER 5. CALCULATION OF CAPITAL, INCOME AND EXPENSES

This Chapter shall describe:

1) Planned size and structure of Payment and Settlement Organization's equity capital, methods for its achievement;
2) Income and expenditure projection for the next three years based on the results of market research.

CHAPTER 6. OTHER PROVISIONS

1) If the organization is planning to provide other than payment and settlement services, business plan shall in addition include provisions on such activities, including scope of such activities and justification of financial viability of the organization for carrying out such activities;
2) If the organization is planning to outsource to a third party some of its functions on provision of payment services, business plan shall describe framework of such functions and persons to which they will be delegated;
3) Business plan of Payment and Settlement Organization shall be adequately reviewed in order to reflect changes in the business environment;
4) Any information for which this Regulation does not provide specific forms, may be provided in free style;
5) Business plan of Payment and Settlement Organization may also include information which is not required under this Regulation, but is deemed important by the initiating persons.

CHAPTER 7. ATTACHED NECESSARY INFORMATION

Attached to business plan shall be:

1) Statements (projections) on financial performance of Payment and Settlement Organization *(Appendix 4, Form 1);*
2) Comprehensive statement (projections) on financial results *(Appendix 4, Form 2);*
3) Projections on compliance of Payment and Settlement Organization's business operations with prudential standards *(Appendix 4, Form 3);*
4) Declarations on all financial and property liabilities committed by future managers of Payment and Settlement Organization and their related parties, in particular overdue and rescheduled liabilities;
5) Agreements on outsourcing of functions (if available);
6) Internal regulations on anti-money laundering and terrorism financing.

Appendix 4

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Form 1

Statement on Financial Performance of Payment and Settlement Organization

(projections)

		Upcoming years		
	Item	**Year 1**	**Year 2**	**Year 3**
1	**Assets**			
1.1	Cash and cash equivalents			
1.2	Held-for-trade financial investments			
1.3	Receivables on operations			
1.4	Other receivables, including:			
1.4.1				
1.4.2				
1.5	Current prepayments			
1.6	Available-for-sale financial assets			
1.7	Amounts due on financial leasing			
1.8	Held-to-maturity investments			
1.9	Investments in statutory capital of other persons			
1.10	Fixed assets			
1.11	Unfinished non-current tangible assets			
1.12	Intangible assets			
1.13	Deferred tax assets			
1.14	Other assets, including:			
1.14.1				
1.14.2				
1.15	***Total assets***			
2	**Liabilities**			
2.1	Loans and credits received from banks			
2.2	Received current prepayments			
2.3	Payables on operations			
2.4	Other payables, including:			
2.4.1				

2.4.2				
2.5	Amounts due on leasing			
2.6	Reserves			
2.7	Income related grants			
2.8	Deferred tax liabilities			
2.9	Asset related grants			
2.10	Other liabilities, including:			
2.10.1				
2.10.2				
2.11	*Total liabilities*			
3	**Capital**			
3.1	Statutory capital			
3.2	Issuance income			
3.3	General reserve			
3.4	Translation reserve			
3.5	Retained earnings			
3.6	Other elements of ownership capital			
3.7	*Total capital*			
3.8	***Total liabilities and capital***			

Appendix 4

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Form 2

Statement on Comprehensive Financial Results (projections)

	Upcoming years		
Item	**Year 1**	**Year 2**	**Year 3**
Operational income			
Operational expenses	( )	( )	( )
Gross earnings (accumulated deficit)			
Realization expenses	( )	( )	( )
Administrative expenses	( )	( )	( )
Operational earnings (losses)			
Other operation income, including:			
Other operational expenses, including:	( )	( )	( )
Operational earnings (losses)			
Financial expenses	( )	( )	( )
Earnings (loss) on investments in statutory capital of other persons			
Earnings (loss) on sale of assets related to interrupted operations and repayment of liabilities			

Other non-operational earnings (loss), including:			
Net profit (loss) before deduction of profit tax expenses			
Profit tax expenses (benefit)			
Net profit (loss) after deduction of profit tax expenses			
Other comprehensive financial results:			
Profit tax expenses on elements of other comprehensive financial results (benefit)			
Net other comprehensive financial result after deduction of profit tax expenses			
Total comprehensive financial result			
Basic earnings (loss) per share			
Reduced earnings (loss) per share			

Appendix 4

to Regulation 17/01 "Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations"

Form 3

Projections on Conformity of Payment and Settlement Organization Operations with Prudential Standards

[1]

	Upcoming years		
Item	**Year 1**	**Year 2**	**Year 3**
(N1) Prudential standard on minimum size of total capital			
(N2) Prudential standard on liquidity (for up to AMD 100 million highly liquid assets)			
(N2) Prudential standard on liquidity (for more than AMD 100 million highly liquid assets)			

[1] Data provided by this Table shall be completed (annually) in accordance with procedure established by Regulation 17/03 "Reports of Payment and Settlement Organizations: Submission and Publication".

Appendix 5

to Regulation 17/01 "Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations"

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

Application letter

Information on Managers (persons subject to qualification)

Please, attach your photo
☐ **This box shall be ticked if the application letter presents only changes**
1. Information about financial organization *(provide information about organization where you will work as a manager)*
1.1 Name and code of financial organization *(indicate name of the financial organization and code provided by the Central Bank)*
1.2. Type of financial organization o Organization executing cash (monetary) transfers o Organization executing processing and clearing of payment and settlement documents o Bank o Branch of a foreign bank o Credit organization o Insurance company o Branch of a foreign insurance company o Insurance broker o Investment company o Branch of a foreign investment company o Regulated market operator o Central Depositarium

2. Personal Information
2.1 Name, Surname, Patronymic
2.2 Gender o male o female
2.3 Birthdate (day/month/year)
2.4 Place of birth
2.5 Citizenship
2.6 Passport number, serial number, issuing authority, date of issuance
2.7 Social card number (if available)
2.8 Residence address (permanent and actual)
2.9 Phone number
2.10 Electronic mail address
2.10.1 Postal address (address, postal index)
2.11 Indicate all names which you might have in the past and the respective periods Name, Surname, Patronymic Period when you had it (day/month/year)
3. Manager position
3.1 Manager position which you will hold in the organization indicated under paragraph 1.1: o chief executive officer o deputy chief executive officer o chief accountant
3.2 Have you been appointed to this position for a temporary term? o No, o Yes, indicate date of appointment (day/month/year)

3.3 describe in detail your powers and areas of responsibility as a manager:

4.Education, qualification, professional experience

4.1

Name of educational institution	*Address*	*Period of training (---year-till ---year)*	*Faculty*	*Specialty*	*Academic degree*

4.2 Which languages do you know?

- Armenian
- English
- Russian
- other *(indicate the language)*

4.3 Provide the following information relating to professional activity during the last 10 years:

Dates of starting the work and leaving the organization	*Name of the organization*	*Address*	*Phone number*	*Job title*	*Reasons for leaving the job*

Indicate activities carried out in the interim non-employment periods

Period of non-employment	*Description*

4.4 Provide data on persons who work or have been working in the financial organization (as of the date of submitting the application letter) that know you personally, who may recommend you if needed (if such persons are available)

Name, surname	*Place of work*	*Job title*	*Residence address*	*Phone number*

5. Information about managers
5.1 Have you been recognized as disabled or partly disabled under the law? o No, o Yes, provide details
5.2 Have you been convicted for an aforethought crime? o No, o Yes, (provide details, including information on remission or relief of penalty in accordance with law)
5.3 Have you been deprived by court of the right to work in the financial, insurance, banking, tax, customs, trade, economic or legal sector? o No, o Yes, provide details
5.4 Have you been recognized bankrupt and have outstanding (not relived) liabilities? o No, o Yes, provide details
5.5 Have you been involved in criminal processing as a suspect, defendant or culprit by the Republic of Armenia or foreign legal machinery o No, o Yes, provide details

5.6 Have you been convicted for a crime envisaged by the Republic of Armenia or foreign criminal legislation?

- o No,
- o Yes, provide details

Persons who work or worked in the past as managers of financial organizations shall answer to questions provided under paragraphs 5.7-5.10.

Persons who act or acted in the past as participants of financial organizations shall also answer to questions provided under paragraphs 5.7 and 5.8.

5.7 Was a financial organization in the Republic of Armenia or abroad adjudged bankrupt or insolvent during the period when you worked or held position there, or did performance of a financial organization in the Republic of Armenia deteriorate in accordance with prudential standards approved by the Central Bank Board due to your activity or inactivity?

- o No,
- o Yes, provide details

5.8 Was a financial organization in the Republic of Armenia or abroad adjudged bankrupt or insolvent due to your activity or inactivity during the period when you worked or held position there?

- o No
- o Yes, provide details

5.9 Have you over the last 1 year had to pay fine for 3 and more times as a manager of a financial organization?

- o No,
- o Yes, provide details

5.10 Have your qualification certificate been revoked based on grounds defined in paragraph 1.2 hereinabove for financial organizations in accordance with terms and conditions stipulated by the respective law?

- No,
- Yes, provide details (including reasons for revocation of qualification certificate)

6.Qualified holding or relationship

6.1 Indicate financial organizations where you have qualified holding at present or in the past

List qualified holdings beginning from the biggest as of the actual date

Name of financial organization (reporting issuer deemed non-financial organization)	*Period (period of having qualified holding in the past shall be indicated as well)*	*Share of holding within total statutory capital (in %),*	*Number of shares*	*Total amount (in Armenian drams)*

6.2 Indicate if you know financial organizations a in which you or your related persons have qualified holding at present, or had it in the last 5 years

List qualified holdings beginning from the biggest one at present date

Name of financial organization	*Period (period of having qualified holding in the past shall be indicated as well)*	*Share within total statutory capital (in %),*	*Number of shares*	*Total amount (in Armenian drams)*

6.3 Provide information on related persons working in financial organizations (if such persons are available) as follows:

(Relationship is recognized in accordance with the respective law regulating activities of financial organizations defined in paragraph 1.2 hereof. In the meaning of this Regulation, persons of the same family are deemed parents, spouse and children.)

Name, surname	*Period of work (for persons who previously worked in financial system indicate period of work in the respective financial organization).*	*Passport number*	*Form of relationship*	*Place of work*	*Job title*	*Telephone number*

7. 7. Monetary (or other) liabilities

7.1 Do you (or your related persons) have monetary (or other) liabilities towards financial organization where you worked as a manager?

- No ,
- Yes, provide details (name of the financial organization, amount of overdue liability, period, etc.)

7.2 Do you (or your related persons) have or had overdue liabilities towards financial organizations in the Republic of Armenia?

- No,
- Yes, provide details (name of the financial organization, amount of overdue liability, period, etc.)

8. Other information

8.1 Provide information on related individuals (except for persons defined in paragraph 6.3) as follows:

Name, surname	*Passport number*	*Form of relationship*	*Place of work*	*Job title*	*Address*	*Telephone number*

8.2 Provide information on interrelated legal persons as follows:

Name of organization	*Address*	*Form of relationship*	*Telephone number*

9. Is there any other important information *you would like to provide?*

- o No,
- o Yes, provide details

10. Other documents

10. 1 This field shall be completed only by financial organization board members

I have read “Guidelines on Activities of Board Members”

- o Yes
- o No

11.

11. Herewith, I confirm that information in this document is true and complete.

Signature of manager proposed for registration ----------

12. *12. Signature of person authorized by management body of Payment and Settlement Organization and corporate seal (if available)*

Name and surname of person authorized by management body

of Payment and Settlement Organization ----------

Date (day/month/year) ----------

Signature ----------

Payment and Settlement Organization's Seal ----------

Appendix 6

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

FORM OF LICENSE FOR RENDERING PAYMENT AND SETTLEMENT SERVICES

REPUBLIC OF ARMENIA CENTRAL BANK

License is issued in accordance with the

Republic of Armenia
Central Bank Board Resolution

----- ---------- 20 -- year

number ------

PAYMENT AND SETTLEMENT ORGANIZATIONS' LICENSE No ….

This license is issued **----------**

(name of legal person)

for provision of Payment and settlement services.

Address ----------

State registration number ----------

License is provided for an indefinite period of time:

Republic of Armenia

Central Bank Chairman **----------**

Seal

Appendix 7

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

Republic of Armenia Coat of Arms

Registered

By the Republic of Armenia Central Bank Board

Resolution ---- year number ---

REGISTRATION CERTIFICATE No…

Pursuant to Republic of Armenia laws “On Payment and Csettlement Systems and Payment and Settlement Organizations “and “Republic of Armenia Central Bank”, this certificate is issued to

REPUBLIC OF ARMENIA CENTRAL BANK

_____

Payment and Settlement Organization

_____

Branch.

Place of Business _____

(place of business of the branch)

PAYMENT AND SETTLEMENT ORGANIZATION CERTIFICATE

Registration number

Registration day, month, year

Republic of Armenia

Central Bank Chairman

……...

--- ---------- 200 ...

Seal

YEREVAN

Appendix 8

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

APLICATION FORM OF PAYMENT AND SETTLEMENT ORGANIZATIONS FOR PERMISSION TO OPEN A BRANCH

Republic of Armenia

Central Bank Chairman

_____

We would like to request permission to open banch in order to render payment and settlement services

_____ _____

(branch) (place of business)

(address)

Attached are the documents:

_____

_____

_____

_____

_____

_____

Chief Executive Officer _____

/ /

200… _____ _____

Seal

Payment and Settlement Organization license number: _____

Issued on: _____ _____ 200___

Appendix 9

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

APLICATION FORM FOR PERMISSION TO CHANGE PLACE OF BUSINESS OF PAYMENT AND SETTLEMENT ORGANIZATIONS AND THEIR BRANCHES

Republic of Armenia

Central Bank Chairman

_____

We would like to request permission to change _____

(address and postal index of the previous headquarters, or branch)

place of business and move it to: _____

_____

(new place of business of the headquarters, or branch)

Attached are the documents:

_____

_____

_____

_____

_____

_____

Chief Executive Officer _____

/ /

20 … _____ _____

Seal

Payment and settlement services license No _____

Issued on: _____ _____ 20

Appendix 10

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

PAYMENT AND SETTLEMENT QUALIFICATION ORGANIZATION

MANAGER QUALIFICATION CERTIFICATE FORM

PROFESSIONAL QUALIFICATION CERTIFICATE No.

This certificate is issued for

_____ _____

Name, surname *information on person identification document*

Organization executing cash (monetary) transfers

_____

Name of job title or job titles

This certificate is valid till “ “ _____ 20 …

Republic of Armenia

Central Bank

Chairman _____

“ “ _____ 20…

Appendix 11

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

Requirements	For the headquarters office	For branches		
		In other territories	In the territory of telecommunications operator	In the premises of rural municipality
1	2	3	4	5
1. Requirements on premises				
1.1 owned or leased premises (signed agreement)	+	+	Optional	Optional
1.1.1 agreement on provision of services			+	+
1.2 requirement on having closed space	+	+	+	+
1.3 requirement on isolation from other neighboring areas	+	+	+ at least according to paragraph 3.2	+
1.4 cash room	+	+	+	+
1.5 vault area (room with fireproof safes)	Optional, if paragraph 5.1 is complied with	Optional, if paragraph 5.1 is complied with	Optional, if paragraph 5.1 is complied with	Optional, if paragraph 5.1 is complied with
1.6 customer service hall	+	+	Optional	+
1.7 walls of the organization shall have stone/concrete base	+	+ vault area (room with fireproof safes)		+
1.8 windows of the external walls shall have grates				+

1.9 entrance door shall be made of iron or have grates				+
2. Requirements on vault area (room with fireproof safes) (if available)				
2.1 windows of the room with fireproof safes shall have grates	+	+	+	+
2.2 iron door should exist	+	+	+	+
2.3 room with fireproof safes shall be isolated	+	+	+	+
2.4 walls shall have stone/concrete base	+	+	+	+
2.5 vault area shall not have windows	+	+	+	+
2.6 vault area shall not mutual wall other organizations or the outside area	+	+	+	+
3. Requirements on cash room				
3.1 fireproof safe shall be fixed to floor or wall	Optional	Optional	Optional	+
3.2 cash room shall be isolated from neighboring areas	+	+	+	+
3.3 it shall have a separate entrance	+	+	+	+
3.4 entrance to the cash room shall have a lockable door	+	+	Optional	Optional
3.5 height of the front part of cash room shall be 1.-1.2m	+	+	+	+
3.6 width of the service desk in front part of cash room shall be 0.4-0.5m	Optional	Optional	Optional	+
3.7 front part of cash room shall have glass part	+	+	Optional	Optional
4. Security requirements				

4.1 security system	+	+	+	Not applicable
4.2 alarm/fire prevention system	+	+	+	Not applicable
4.3 fire extinguishers	Optional	Optional	Optional	+
4.4 video recording of transactions and maintenance for 90 days	+	+	+	Optional
5. Requirements on cash collection				
5.1 cash shall be collected in accordance with the cash collection agreement	+	+	+	+
5.2 maximum daily balance in vault up to AMD 3 million	+	+	+	
5.3 maximum daily balance in vault up to AMD 2 million				+
6. Technical requirements				
6.1 fireproof safe	+	+	+	+
6.2 connection with the headquarters		+	+	+
6.3 reflection of transactions in in general database		+	+	+
6.4 prohibition of unauthorized downloading of programs and saving of information on the external carriers	+	+	+	+
Device for checking authenticity of cash notes (only in case of operations with cash)	+	+	+	+
7. Other requirements				
7.1 letter plate with name of the organization	+	+	+	+
7.2 types of services and prices shall be posted up	+	+	+	+
7.3 phone numbers of the headquarters and branches	+	+	+	+

of the organization				
7.4 copy of the license (if available)	+	+	+	+

Appendix 12

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

Registration Ledger of Licenses of Organizations Executing Cash Transfers

Name of the licensed person	License number	Date and number of the decision on issuing the license	Date of issuing the	Address	Place of business	Types of businesses for which license was issued	Information on reissuing the license	Information on suspension, or annulment of license validity	Name of the branch (representative office)	Address of the branch (representative office)	Registration certificate number of the branch (representative office)	

Appendix 13

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

APPLICATION

ON APPEALING QUALIFICATION EXAMINATION RESULTS

Name and surname of the appealing person

Passport data of the appealing person

Day, month and year of the examination

Type of qualification

Phone number, electronic mail address (if available)

Description of the issue against which the appeal is launched

Applicant: “ “ 20 …

Appendix 14

to Regulation 17/01 “Requirements on Licensing of Payment and Settlement Organizations, Registration of Branches, Qualification of Managers of Payment and Settlement Organizations, Place of Business of Payment and Settlement Organizations”

Approved by
Republic of Armenia Central Bank Board Resolution
No 285-N, dated October 25, 2011

List of Documents to be submitted

№	***Type of document***
1.	***2.***
1.	
2.	
3.	
…	

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(name, surname and signature of the authorized person)

Seal