

OFFICIAL TRANSLATION

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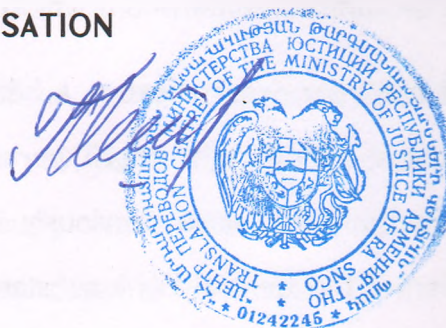
"TRANSLATION CENTRE OF THE MINISTRY OF JUSTICE
OF THE REPUBLIC OF ARMENIA"

STATE NON-COMMERCIAL ORGANISATION

HAYK MELKUMYAN

ACTING DIRECTOR

30 SEPTEMBER 2026



LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 3 July 2025

ON MAKING SUPPLEMENTS AND AMENDMENTS TO THE LAW

"ON PAWN SHOPS AND PAWN SHOP ACTIVITIES"

Article 1. Article 2 of Law HO-43-N of 3 December 2003 "On pawn shops and pawn shop activities" (hereinafter referred to as "the Law") shall be supplemented with new paragraphs which shall read as follows:

"affiliated person — the persons prescribed by Article 8 of the Law of the Republic of Armenia "On banks and banking";

beneficial owner — the persons prescribed by point 14 of part 1 of Article 3 of the Law of the Republic of Armenia "On combating money laundering and financing of terrorism".

Article 2. In Article 6 of the Law:

- (1) point “h.1” shall be supplemented with the words “(unless this conviction has been expunged or cancelled in due procedure of law)” after the words “executive officer having been convicted for an intentionally committed crime”;
- (2) Article shall be supplemented with point “h.2” which shall read as follows:

“(h.2) must not have a participator, a beneficial owner or an executive officer holding a voting right of 10 percent and more, who has or persons affiliated whereto have previously committed such an act which in the opinion of the Central Bank substantiated as prescribed by the legal acts of the Board of the Central Bank, provide ground for suspecting that the actions of the given persons as a member or an executive officer who have the voting right during decision-making of the management body of the pawn shop, may result in the bankruptcy or deterioration of the financial position of the pawn shop, or undermine its reputation and business image;”;

- (3) Article shall be supplemented with point “h.3” which shall read as follows:

“(h.3) must not have a participator or an executive officer holding a voting right of 10 percent and more, who is included in the lists of persons associated with terrorism published by or in accordance with the United Nations Security Council resolutions or in the lists of persons related to the proliferation of weapons of mass destruction published by the United Nations Security Council resolutions;”.

Article 3. In part 2 of Article 13 of the Law:

- (1) point “b.1” shall be amended to read as follows:

“(b.1) at least one participator or beneficial owner holding the applicant's voting right of 10 percent and more has been convicted for an intentionally

committed crime and this conviction has not been expunged or cancelled in due procedure of law, or an executive officer has been convicted for an intentionally committed crime, and this conviction has not been expunged or cancelled in due procedure of law;”;

(2) part shall be supplemented with point “b.2” which shall read as follow:

“(b.2) the participator, the beneficial owner or the executive officer holding the applicant's voting right of 10 percent and more, or persons affiliated thereto has or have previously committed such an act which in the opinion of the Central Bank substantiated as prescribed by the legal acts of the Board of the Central Bank, provides ground for suspecting that the actions of the given person as a member or an executive officer who has the voting right during decision-making of the management body of the pawn shop, may result in the bankruptcy or deterioration of the financial position of the pawn shop, or undermine its reputation and business image;”;

(3) part shall be supplemented with point “b.3” which shall read as follow:

“(b.3) the participator or the executive officer holding the applicant's voting right of 10 percent and more is included in the lists of persons associated with terrorism published by or in accordance with the United Nations Security Council resolutions or in the lists of persons related to the proliferation of weapons of mass destruction published by the United Nations Security Council resolutions;”.

Article 4. The Law shall be supplemented with Article 13.1 which shall read as follows:

“Article 13.1. TERMINATING SHAREHOLDING OF A PARTICIPATOR HOLDING A VOTING RIGHT OF 10 PERCENT AND MORE IN THE PAWN SHOP

1. Where unreliable, false or incomplete information has been submitted to the Central Bank during the licensing process, as well as where any one of the grounds provided for by point “b.1” or “b.2” of part 2 of Article 13 of this Law arises after the acquisition by a person of a licence for pawn shop activities as prescribed by this Law, and where such reasoned information has been obtained according to which facts of deterioration of the financial position of a person affiliated to the pawn shop (and in case of a legal person affiliated to the pawn shop — also the participator thereof) have come to light, which may affect the financial position of the pawn shop or otherwise jeopardise the interests of creditors of the pawn shop, the Board of the Central Bank shall be entitled to recommend to the participator or the beneficial owner holding a voting right of 10 percent and more in the pawn shop to alienate, within the time limit prescribed by the Board of the Central Bank, the investments thereof in the pawn shop or the right to claim the participator has against the pawn shop, by virtue whereof it may influence the activities of the pawn shop with the substantiation that it jeopardises the financial position of the pawn shop. In case of failure to alienate the relevant investments within the time limit prescribed by the Board of the Central Bank, the alienation may be carried out through judicial procedure.
2. In case of failure to perform the recommendation of the Board of the Central Bank, provided for by part 1 of this Article, the participator holding a voting right of 10 percent and more in the pawn shop shall not enjoy the rights to vote, to

receive dividends and to be included in the composition of the board without an election or to appoint a representative thereof to that board, vested therein by virtue of shareholding, from the day following the time limit prescribed by the Board of the Central Bank. With a view to not disrupting the decision-making process of the pawn shop, the Board of the Central Bank shall have the competence to vest the right to vote during decision-making in the ad hoc management body appointed by the Board of the Central Bank. The Board of the Central Bank may define criteria for appointment, and a procedure for appointment and activities of the ad hoc management body.

3. Where the ground provided for by point “b.3” of part 2 of Article 13 of this Law arises after the acquisition of a licence for pawn shop activities, the requirement prescribed by Article 28 of the Law “On combating money laundering and financing of terrorism” shall apply to the participator holding a voting right of 10 percent and more in the pawn shop, as well as the person shall be deprived of the right to vote, to be included in the composition of board without election or to appoint a representative thereof to that board, vested therein by virtue of shareholding, and the acquired stocks shall not be considered during vote count. With a view to not disrupting the decision-making process of a participator holding a voting right of 10 percent and more in the pawn shop, the Board of the Central Bank shall have the competence to vest the right to vote during decision-making in the ad hoc management body appointed by the Board of the Central Bank. The Board of the Central Bank may define criteria for appointment, and a procedure for appointment and activities of the ad hoc management body.”.

Article 5. In Article 14 of the Law:

- (1) in part 3, the words “On combating legalisation of proceeds of crime and financing of terrorism” shall be replaced with the words “On combating money laundering and financing of terrorism”;
- (2) Article shall be supplemented with part 4 which shall read as follows:

“4. Pawn shops shall be obliged to submit to the Central Bank information on persons who are beneficial owners of the pawn shops under the standards prescribed by the Law “On combating money laundering and financing of terrorism”, in compliance with the requirements prescribed by this Law and the regulatory legal acts of the Board of the Central Bank.”.

Article 6. Final part and transitional provisions

1. This Law shall enter into force on the tenth day following the day of its official promulgation.
2. In case the grounds prescribed by point “h.1” or “h.2” of Article 6 or point “b.1” or “b.2” of part 2 of Article 13 of the Law arise upon the entry into force of this Law, the Board of the Central Bank shall be entitled to recommend to the participator holding a voting right of 10 percent and more in the pawn shop to alienate, within the time limit prescribed by the Board of the Central Bank, the investments thereof in the pawn shop or the right to claim the participator has, and in case of failure to alienate the relevant investments or the right to claim within that time limit, the alienation may be carried out through judicial procedure. In case of failure to perform the recommendation of the Board of the Central Bank provided for by part 1 of this Article, the participator holding a voting right of 10 percent and more in the pawn shop shall not enjoy — from the day following the time limit prescribed by the Board of the Central Bank —the

rights to vote, to receive dividends and to be included in the composition of the board without election or to appoint a representative thereof to that board, vested therein by virtue of shareholding. With a view to not disrupting the decision-making process of the pawn shop, the Board of the Central Bank shall have the competence to vest the right to vote during decision-making in the ad hoc management body appointed by the Board of the Central Bank. The Board of the Central Bank may define criteria for appointment, and a procedure for appointment and activities of the ad hoc management body.

3. In case the grounds prescribed by Article 2 or 3 of this Law arise upon the entry into force of this Law, the pawn shop shall be obliged to submit, within one month, to the Central Bank a petition on cancelling the registration of the relevant executive officer of the pawn shop. In case of failure to submit the petition on cancelling the registration of the relevant executive officer of the pawn shop to the Central Bank within the time limits provided for by this part by the pawn shop, the Central Bank shall adopt a decision on cancelling the registration of the given executive officer.
4. In case the ground prescribed by point “h.3” of Article 6, supplemented by point 3 of part 1 of Article 2 of this Law, or by point “b.3” of part 2 of Article 13, supplemented by point 3 of part 1 of Article 3 of this Law, arises upon the entry into force of this Law, the requirement prescribed by Article 28 of the Law “On combating money laundering and financing of terrorism” shall apply to the participator holding a voting right of 10 percent and more in the pawn shop, as well as the person shall be deprived of the rights to vote, to receive dividends and to be included in the board without election or to appoint a representative thereof to that board, vested therein by virtue of shareholding, and the acquired stocks shall not be considered during vote count. With a view to not disrupting the decision-making process of the pawn shop, the Board of the Central Bank shall have the competence to vest the right to vote during decision-making in the

ad hoc management body appointed by the Board of the Central Bank. The Board of the Central Bank may define criteria for appointment, and a procedure for appointment and activities of the ad hoc management body.

President of the Republic

V. Khachatryan

28 July 2025

Yerevan

HO-271-N

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Comprises four sheets.