

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 BANKS AND BANKING"**

Article 1. In Article 18 of Law HO-68-N of 30 June 1996 "On banks and banking" (hereinafter referred to as "the Law"):

- (1) point "a" of part 2 shall be supplemented with the words "which has not been expunged or cancelled" after the words "or an intentional crime";
- (2) part 2 shall be supplemented with point "a.1" which shall read as follows:

- “(a.1) the person 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;”;
- (3) in part 2, the words “in the opinion of the Central Bank substantiated under the guidelines confirmed by the Central Bank” shall be replaced with the words “in the opinion of the Board of the Central Bank substantiated as approved by the legal acts of the Board of the Central Bank”;
- (4) part 4 shall be repealed;
- (5) the Article shall be supplemented with part 7 which shall read as follows;
- “7. In case any one of the grounds provided for by part 2 of this Article arises after the day of granting prior consent by the Board of the Central Bank until the actual acquisition of a qualifying holding, the Board of the Central Bank shall have the right to terminate the prior consent to acquisition of the qualifying holding.”.

Article 2. Part 3 of Article 18.1 of the Law shall be repealed.

Article 3. In part 2 of Article 22 of the Law:

- (1) point “a” shall be supplemented with the words “which has not been expunged or cancelled” after the words “for an intentional crime”;
- (2) the part shall be supplemented with point “a.1” which shall read as follows:
- “(a.1) persons 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 United Nations Security Council resolutions;”;

- (3) point “e” shall be supplemented with the words “or persons affiliated thereto,” after the word “persons”, and in the same point, the words “under the guidelines confirmed by the Central Bank” shall be replaced with the words “as approved by the legal acts of the Board of the Central Bank”.

Article 4. In Article 57 of the Law:

- (1) part 6 shall be amended to read as follows:

“6. Where during the licensing process or acquisition of a qualifying holding, unreliable, false or incomplete information has been submitted to the Central Bank, as well as the bank or the person with a qualifying holding in the authorised capital stock of the bank does not carry out the requirements of part 3 of Article 55 of this Law, as well as where the grounds provided for by points “a”, “b”, “c” or “e” of part 2 of Article 18 or by part 2 of Article 18.1 of this Law arise following the acquisition of the qualifying holding in the bank or in authorised capital stock of the bank, and where such reasoned information has been obtained while exercising control over the bank according to which facts attesting to the worsening of the financial position of a person related to the bank, and in case of a legal person related to the bank — also of its participators have come to light, which may affect the financial position of the bank or otherwise threaten the interests of depositors or other creditors of the bank, the Board of the Central Bank shall be entitled to:

- (1) propose to a person with a qualifying holding in the authorised capital stock of the bank to alienate, within time limits prescribed by the

Board of the Central Bank, the investments thereof in the bank or the right thereof to a claim in relation to the bank by virtue whereof the person may influence the activities of the bank as it threatens the financial position of the bank, and in case of failure to alienate, within the time limits prescribed by the Board of the Central Bank, the relevant investments or the right to claim of that participator in relation to the bank may be alienated through judicial procedure;

(2) impose on the bank a sanction prescribed by Article 61 of this Law.”;

(2) the Article shall be supplemented with parts 6.1 and 6.2 which shall read as follows:

“6.1. In case of failing to perform the proposal of the Central Bank provided for by point 1 of part 6 of this Article, the person with a qualifying holding in the authorised capital stock of the bank shall not, from the day following the time limit prescribed by the Board of the Central Bank, enjoy the right to vote, to receive dividends and to be included in the composition of the board without an election, or to appoint a representative to the board, vested therein by virtue of shareholding thereof, until the facts which served as a basis for the proposal of the Central Bank provided for by point 1 of part 6 of this Article cease to exist. With a view to not disrupting the decision-making process of the Bank, 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.

If, in accordance with point “c” of part 3 of Article 55 of this Law, the person with an indirect qualifying holding has failed to obtain the consent of the Central Bank, the person with a qualifying holding in the bank through which the respective person has acquired an indirect qualifying holding shall be obliged to alienate his or her

shareholding in the bank within time limit prescribed by the Board of the Central Bank, and in case of failure to alienate within that time limit, the indirect qualifying holding may be alienated through judicial procedure.

- 6.2. Where the ground provided for by point “a.1” of part 2 of Article 18 arises after the acquisition of a qualifying holding, the requirement prescribed by Article 28 of the Law “On combating money laundering and financing of terrorism” shall apply to the person having a qualifying holding in the authorised capital stock of the bank, as well as the person shall be deprived of the rights to vote, 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 holding, as well as the acquired stocks shall not be considered during vote count. With a view to not disrupting the decision-making process of the bank, 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. 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 points “a”, “b”, “c” or “e” of part 2 of Article 18 of this Law arise upon the entry into force of this Law, the Board of the Central Bank shall have the right to recommend that the person with a qualifying holding in the authorised capital stock of the bank alienates, within time limit prescribed by the Board of the Central Bank, the investments thereof in the bank

or the right thereof to a claim in relation to the bank, and in case of failure to alienate within that time limit, the relevant investments in the bank or the right to claim, the alienation may be carried out through judicial procedure. In case of failing to perform the recommendation of the Board of the Central Bank provided for by this part, the person with a qualifying holding in the authorised capital stock of the bank shall not, from the day following the time limit prescribed by the Board of the Central Bank, enjoy the right to vote, to receive dividends and to be included in the composition of the board without an election, or to appoint a representative to the board, vested therein by virtue of holding. With a view to not disrupting the decision-making process of the bank, 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 3 of this Law arise upon the entry into force of this Law, the bank shall be obliged to submit — within a period of one month — a petition to the Central Bank on cancelling the registration of the relevant executive officer of the bank. Where the bank fails to submit a petition to the Central Bank — within the time limit provided for by this part— on cancelling the registration of the relevant executive officer, the Central Bank shall adopt a decision on cancelling the registration of the given executive officer.
4. Where the ground prescribed by point “a.1” of part 2 of Article 18 of the Law, being supplemented by point 2 of part 1 of Article 1 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 person having a qualifying holding in the authorised capital stock of the bank, as well as the person shall be deprived of the rights to vote, 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 holding, as well as the acquired stocks shall not be considered during vote count. With a view to not disrupting the decision-making process of the bank, 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. Khachaturyan

28 July 2025

Yerevan

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