

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 AN AMENDMENT TO THE LAW
"ON CREDIT ORGANISATIONS"**

Article 1. In part 2 of Article 9 of Law HO-359-N of 29 May 2002 "On credit organisations" (hereinafter referred to as "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) part 2 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 the United Nations Security Council resolutions.”;

(3) part 2 shall be supplemented with point “d. 1” which shall read as follows:

“(d. 1) persons or persons affiliated thereto that have previously committed an act which in the opinion of the Board of the Central Bank substantiated as prescribed by the legal acts of the Board of the Central Bank, provides ground for suspecting that those persons as executives of a credit organisation, are not capable to duly manage the relevant field of activities of the credit organisation or their actions may result in the bankruptcy of the credit organisation, deterioration of its financial situation, or undermine its reputation and business image;”.

Article 2. In Article 10 of the Law:

(1) the second paragraph of part 1 shall be amended to read as follows:

“Within the meaning of this Law and the legal acts regulating the activities of credit organisations, the qualifying holding in the authorised capital of a legal person may be either direct or indirect. Within the meaning of this Law and the legal acts regulating the activities of credit organisations, a direct qualifying holding shall be considered as holding whereby the holding of the given participant in the authorised capital of the credit organisation constitutes 10% or more;

(2) part 1 shall be supplemented with part 1.1 which shall read as follows:

“1.1. Within the meaning of this Law and the legal acts regulating the activities of credit organisations, an indirect qualifying holding in the authorised capital of a legal person shall be considered such a holding in case of which:

- (1) a participant does not have a holding (stock, share or unit) in the authorised capital of the legal person or holds up to 10 per cent of voting stocks of the given legal person, or a holding without voting rights, but substantiated by the criteria defined by the Board of the Central Bank, by virtue of this holding, in view of the business image or reputation thereof, has a direct or indirect opportunity to pre-determine the decisions of management bodies of the given legal person, essentially influence their decision-making process (implementation) or pre-determine the directions, fields of activities of the given legal person;
- (2) a participant does not have a holding (stock, share or unit) in the authorised capital of the legal person or holds up to 10 per cent of voting stocks of the given legal person, or has a holding without voting rights, but has the opportunity to pre-determine the decisions of management bodies of the given legal person, essentially significantly influence their decision-making process (implementation) or pre-determine the directions, fields of activity of the given legal person by virtue of the right thereof to claim against the given legal person;
- (3) a participant holds 50 per cent and more of voting stocks in the authorised capital of the legal person with a qualifying holding in the authorised capital of the legal person;
- (4) a participant has or does not have a holding in the authorised capital of the legal person with a qualifying holding in the authorised capital

of the legal person, and based on the criteria defined by the Board of the Central Bank, as well as in view of the business image or reputation thereof, has the opportunity to pre-determine the decisions of management bodies of the given legal person, essentially influence their decision-making process (implementation) or pre-determine the directions, fields of activity of the given legal person.”;

- (3) point “a” of part 2 shall be supplemented with the words “which has not been expunged or cancelled” after the words “has a criminal conviction for an intentional crime”;

- (4) 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;”;

- (5) part 2 shall be supplemented with point “a.2” which shall read as follows:

“(a.2) the person or a person affiliated thereto has previously committed 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 having voting rights in decision-making of the highest management body of the credit organisation may result in the bankruptcy of the credit organisation, deterioration of its financial situation, or undermine its reputation and business image;”;

(6) Article 10 shall be supplemented with part 2.1. which shall read as follows:

“2.1. In case any one of the grounds provided for by this part 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 a qualifying holding.”.

Article 3. The Law shall be supplemented with Article 10.1 which shall read as follows:

“Article 10.1. Termination of qualifying holding

1. Where unreliable, false or incomplete information is submitted to the Central Bank during licensing or acquisition of a qualifying holding, as well as where any one of the grounds for rejecting prior consent to acquisition of a qualifying holding provided for by points “a”, “a.2”, “b”, “c” or “d” of part 2 of Article 10 of this Law arises after the acquisition of a qualifying holding in the authorised capital of a credit organisation by a person, and where such reasonable information is received during the exercise of supervision over a credit organisation according to which facts of deterioration of the financial situation of persons related to the credit organisation (and in case of a legal person related to the credit organisation — also the participant thereof) have emerged, which may affect the financial situation of the credit organisation or otherwise endanger the interests of creditors, the Board of the Central Bank shall have the right to recommend that the person having a qualifying holding in the authorised capital of the credit organisation alienates, within the time limit prescribed by the Board of the Central Bank, the investments thereof in the credit organisation or the right to claim the person has against the credit organisation by virtue of which he or she may influence the activities of the credit organisation with the

substantiation that it threatens the financial situation of the credit organisation. In case of failure to alienate the relevant investments or the relevant right to claim 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 Central Bank provided for by part 1 of this Article, the person having a qualifying holding in the authorised capital of the credit organisation 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 holding. With a view to not disrupting the decision-making process of the credit organisation, the Board of the Central Bank shall have the competence to vest the right to vote during decision-making to 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 any one of the grounds for rejecting prior consent to acquisition of a qualifying holding provided for by point “a.1” of part 2 of Article 10 of this Law arises after the acquisition of a qualifying holding in the authorised capital of the credit organisation as prescribed by this Law, the requirement prescribed by Article 28 of the Law “On combating money laundering and financing of terrorism” shall apply to the participant having acquired a qualifying holding in the authorised capital of the credit organisation, as well as the person shall be deprived of the rights to vote, 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 holding, and the acquired stocks shall not be considered during vote count. With a view to not disrupting the decision-making process of the credit organisation, the Board of the Central Bank shall have the competence to vest the right to vote during decision-making to 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 4. 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 Article 1 of this Law arise upon the entry into force of this Law, the credit organisation 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 of the credit organisation. Where the credit organisation 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, the Central Bank shall adopt a decision on cancelling the registration of the given executive.
3. Where the grounds prescribed by points “a”, “a.2”, “b”, “c” or “d” of part 2 of Article 10 of the Law arises upon the entry into force of this Law, the Board of Central Bank shall have the right to recommend that the person having a qualifying holding in the authorised capital of the credit organisation alienates, within the time limit prescribed by the Board of the Central Bank, the relevant investments thereof in the credit organisation or the right thereof to claim, and in case of failure to alienate within that time limit, the relevant investments or the right to claim, the alienation may be carried out through judicial procedure. In case of failure to perform the recommendation of the Central Bank provided for by this part, the person having a qualifying holding in the authorised capital of the credit organisation 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

holding. With a view to not disrupting the decision-making process of the credit organisation, 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.

4. Where the ground prescribed by point “a.1” of part 2 of Article 9 of this 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 participant having acquired a qualifying holding in the authorised capital of the credit organisation, as well as the person shall be deprived of the rights to vote, 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 holding, and the acquired stocks shall not be considered during vote count. With a view to not disrupting the decision-making process of the credit organisation, 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

HO-273-N

Date of official promulgation: 29 July 2025.

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Comprises eight sheets.

