

OFFICIAL TRANSLATION

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"TRANSLATION CENTRE OF THE MINISTRY OF JUSTICE
OF THE REPUBLIC OF ARMENIA"
STATE NON-COMMERCIAL ORGANISATION

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ACTING DIRECTOR

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LAW
OF THE REPUBLIC OF ARMENIA

Adopted on 3 July 2025

ON MAKING SUPPLEMENTS AND AMENDMENTS TO THE LAW
OF THE REPUBLIC OF ARMENIA "ON PAYMENT AND SETTLEMENT SYSTEMS
AND PAYMENT AND SETTLEMENT ORGANISATIONS"

Article 1. Part 1 of Article 3 of Law HO-150-N of 24 November 2004 "On payment and settlement systems and payment and settlement organisations" (hereinafter referred to as "the Law") shall be supplemented with points "w" and "x" which shall read as follows:

"(w) **"affiliated person"** shall be the person prescribed by Article 8 of the Law of the Republic of Armenia "On banks and banking";

- (x) “**beneficial owner**” shall be the person 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. Part 1 of Article 20 of the Law shall be supplemented with point “d.1” which shall read as follows:

“(d.1) statement of information on beneficial owners of a payment and settlement organisation in the form established by the regulatory legal acts of the Central Bank;”.

Article 3. In part 1 of Article 20.1 of the Law:

- (1) the word “may” shall be replaced with the word “shall”;
- (2) point “e.1” shall be supplemented with the words “or beneficial owners” after the words “the participants”;
- (3) part shall be supplemented with point “e.2” which shall read as follows:

“(e.2) at least one of the participants or beneficial owners holding 10 percent and more of the voting right of a payment and settlement organisation 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;

- (4) part shall be supplemented with point “e.3” which shall read as follows:

“(e.3) a participant holding 10 percent and more of the voting right of the organisation, a person affiliated thereto or a beneficial owner of the

organisation has previously committed such 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 the actions of the person as a member who has a voting right during decision-making of the highest management body of the organisation may result in the bankruptcy or deterioration of the financial situation of the organisation, or undermine its reputation and business image;”.

Article 4. The Law shall be supplemented with Article 20.2 which shall read as follows:

“Article 20.2. Termination of shareholding of a participant holding 10 percent and more of voting right of a payment and settlement organisation

1. Where unreliable, false or incomplete information has been submitted to the Central Bank during licensing, as well as where any one of the grounds provided for by point “e.1” or “e.3” of part 1 of Article 20.1 of this Law arises following the acquisition of a licence for providing payment and settlement services as prescribed by this Law, the Board of the Central Bank shall have the right to recommend that the participant or the beneficial owner holding 10 percent and more of the voting right of the payment and settlement organisation alienates — within the time limit prescribed by the Board of the Central Bank — the investments thereof in the authorised capital of the payment and settlement organisation or the right to claim the participant has against the payment and settlement organisation by virtue whereof it may influence the activities of the payment and settlement organisation. 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 participant holding 10 percent and more of the voting right of the payment and settlement organisation shall not enjoy 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, 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 payment and settlement 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.
3. Where any one of the grounds provided for by point “e.2” of part 1 of Article 20.1 of this Law arises after the acquisition of a licence for providing payment and settlement services, the requirement prescribed by Article 28 of the Law “On combating money laundering and financing of terrorism” shall apply to the participant holding 10 percent and more of the voting right of the payment and settlement 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 shareholding, 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 payment and settlement 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.”.

Article 5. In part 2 of Article 22 of the Law:

(1) 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 the United Nations Security Council resolutions;”;

(2) point “e” shall be amended to read as follows:

“(e) persons or persons affiliated thereto who have previously committed such an act which in the opinion of the Central Bank substantiated as prescribed by the Board of the Central Bank, provide ground for suspecting that the actions of these persons as the executive officer of a payment and settlement organisation may result in the bankruptcy or deterioration of the financial situation of the payment and settlement organisation, or undermine its reputation and business image.”;

(3) in part 4 the words “within a period of ten days” shall be replaced with the words “within a one-month period”.

Article 6. In Article 23 of the Law:

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

“6. A participant holding 10 percent or more of the voting right of the payment and settlement organisation may not have previous conviction for an intentionally committed crime, unless such conviction has been expired or expunged as prescribed by law. The payment and settlement organisation shall submit to the Central Bank the information provided for by this part about the participants and executive officers holding 10 percent or more of

the voting right in the manner and within the time limit established by the Board of the Central Bank.”;

(2) Article shall be supplemented with part 7 which shall read as follows

“7. The payment and settlement organisation shall be obliged to submit to the Central Bank the information about persons who are beneficial owners of the payment and settlement organisation under the standards prescribed by the Law of the Republic of Armenia “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 7. 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 “e.1” or “e.3” of part 1 of Article 20.1 of the Law arise upon the entry into force of this Law, the Board of the Central Bank shall have the right to recommend that the participant or beneficial owner holding 10 percent and more of the voting right of the payment and settlement organisation alienates — within the time limit prescribed by the Board of the Central Bank — the relevant investments thereof or the right to claim it has, and in case of failure to alienate the relevant investments or the right to claim within this 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 this part, the participant holding 10 percent and more of the voting right of the payment and settlement organisation shall not enjoy 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, 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 payment and settlement 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 adopt criteria for appointment, and a procedure for appointment and activities of the ad hoc management body.

3. In case the grounds prescribed by Article 5 of this Law arise upon the entry into force of this Law, the payment and settlement organisation shall be obliged to submit — within a one-month period — to the Central Bank a petition on cancelling the registration of the relevant executive officer of the payment and settlement organisation. In case of failure to submit — within the time limit provided for by this part — to the Central Bank a petition on cancelling the registration of the relevant executive officer by the payment and settlement organisation, the Central Bank shall adopt a decision on cancelling the registration of the given executive officer.
4. In case the ground prescribed by point “e.2” of part 1 of Article 20.1 of the Law being 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 participant holding 10 percent and more of the voting right of the payment and settlement organisation, as well as the person shall be deprived of the rights to vote, to be included in the board without election or to appoint a representative thereof to that board, vested therein by virtue of shareholding, as well as the acquired stocks shall not be considered during vote account. With a view to not disrupting the decision-making process of the payment and settlement 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. Khachatryan

8 July 2025

Yerevan

HO-274-N

Date of official promulgation: 29 July 2025.



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