LAW OF THE REPUBLIC OF ARMENIA ON CRYPTO-ASSETS

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LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 29 May 2025

ON CRYPTO-ASSETS

SECTION 1

GENERAL PROVISIONS

CHAPTER 1

GENERAL PROVISIONS

The main objectives of this Law shall be protection of the rights and legitimate interests of clients and crypto-assets acquirers in the market in crypto-assets of the Republic of Armenia, ensuring the fair and transparent activity of the market in crypto-assets and reduction of systemic risks on the market in crypto-assets.

Article 1. Subject matter and scope of the Law

1. This Law shall regulate relations arising with respect to the performance of activities on the crypt-assets market of the Republic of Armenia and prescribes:
(1) the procedure for public offering and public purchase and sale of crypto-assets;
(2) the types of crypto-asset services (hereinafter also referred to as "crypto-asset service"), as well as the procedure for their provision and implementation;
(3) the competencies and duties of the Central Bank with regard to regulation of and control over the market in crypto-assets;
(4) the liability for violation of the requirements of this Law, the regulatory legal acts adopted based thereon and other legal acts.
2. The market in crypto-assets of the Republic of Armenia shall include persons issuing and offering crypto-assets in the territory of the Republic of Armenia, issuers and offerors of crypto-assets subject, to licensing under this Law, and persons acquiring crypto-assets offered in the territory of the Republic of Armenia or through crypto-asset service providers subject to licensing under this Law.
3. The provisions prescribed by this Law shall not extend to crypto-assets meeting the definition of security or derivative financial instrument within the meaning of the Law "On securities market", the relations pertaining whereto shall be regulated by the Law "On securities market".
4. The provisions prescribed by this Law shall not extend to crypto-assets meeting the definition of fund unit or stock within the meaning of the Law "On investment funds", the relations pertaining whereto shall be regulated by the Law "On investment funds".
5. The provisions prescribed by this Law shall not extend to crypto-assets meeting the definition of bank deposit or bank deposit contract within the meaning of the Law "On banks and banking", the relations pertaining whereto shall be regulated by the Law "On banks and banking".
6. The provisions prescribed by this Law shall not extend to crypto-assets meeting the definition of insurance contract or certificate within the meaning of the Law "On insurance and insurance activities", the relations pertaining whereto shall be regulated by the Law "On insurance and insurance activities".
7. The provisions prescribed by this Law shall not extend to the following entities, where the latter act as an issuer or provide crypto-asset services:
(1) the Republic of Armenia, the Central Bank, communities of the Republic of Armenia;
(2) the International Monetary Fund, European Central Bank, European Investment Bank, other international organisations that the Republic of Armenia is a member of, as well as other international organisation included in the list defined by the Board of the Central Bank.
8. The provisions prescribed by this Law shall not extend to the crypto-assets which:
(1) are unique in essence (each has special characteristics) and are not replaceable; or
(2) are technically impossible or are prohibited by the terms of issuance to be transferred to another person;
(3) have been issued by central banks or other national banks.
9. A crypto-asset shall not be deemed unique or irreplaceable within the meaning of point 1 of part 8 of this Article, where such a crypto-asset has been offered in separated parts.
10. Provision of crypto-asset services shall not be regulated by the provisions prescribed by this Law, where they are provided:
(1) only to legal persons belonging to the same group; or

(2) to a liquidation commission, and in case of insolvency — within the scope of activities carried out by temporary administration.

Article 2. Legal acts regulating the market in crypto-assets

1. Relations on the market in crypto-assets shall be regulated by this Law, the Civil Code of the Republic of Armenia and other laws and regulatory legal acts, unless another regulation is provided for by this Law.

Article 3. Main concepts used in the Law

1. The following main concepts shall be used in this Law:
(1) **distributed ledger** — an electronic register where transactions with crypto-assets and information thereon are registered and which is synchronised and, along with storage, is available within the distributed ledger technology (hereinafter also referred to as "DLT") network by applying a consensus mechanism;
(2) **distributed ledger technology** — a technology which enables to operate and use a distributed ledger;
(3) **consensus mechanism** — rules and processes based whereon an agreement on the terms of validation and registration of transactions in the distributed ledger by the DLT network is reached;
(4) **DLT network** — equipment or processes via each of which all transactions and data thereon registered in the distributed ledger are fully or partially stored;
(5) **crypto-asset** — property based on cryptography which has a value or attests to a right that is able to be transferred and stored exclusively electronically, using the DLT or similar technology;
(6) **asset-referenced token** — a type of crypto-asset for the purpose of keeping the value whereof stable it is referenced to a currency value (except for payment securities) or their group or other assets defined by a regulatory legal act of the Board of the Central Bank;
(7) **currency value** — as per the meaning used by the Law "On currency regulation and currency control";
(8) **electronic money token** — a type of token referenced to an asset deemed electronic money, for the purpose of keeping the value whereof stable it is referenced to the Armenian dram;
(9) **utility token** — a type of crypto-asset which ensures the right to acquire any good or service offered exclusively by the issuer or to use them;
(10) **issuer** — a legal person that issues or has issued a crypto-asset;
(11) **issue** — a set of actions of a person aimed at creating crypto-assets;
(12) **public offering** — any form of communication addressed to persons, which contains a proposal for an offer to sell a crypto-asset or an offer to purchase a crypto-asset;
(13) **crypto-asset acquirer** — the owner of the crypto-asset or the person who envisages to acquire a crypto-asset;
(14) **sale or purchase and sale of crypto-asset** — purchase and sale of a crypto-asset or its exchange for another crypto-asset;
(15) **crypto-asset service provider** — a person having the licence to provide any crypto-asset service as prescribed by this Law, a person having an authorisation to carry out activities of a branch in the territory of the Republic of Armenia by a foreign crypto-asset service provider;
(16) **custody of crypto-assets** — activity for the safekeeping of crypto-assets or of the means of access to such crypto-assets (including where they are expressed in the form of passwords), record-keeping of the ownership and other property rights thereto. Custody of crypto-assets shall also include the transfer of crypto-assets on the crypto-asset accounts opened by the custodian of crypto-assets, the ownership and other property rights thereto, except for the transfer of crypto-assets from one account available in the distributed ledger or address to the other account or address;
(17) **custodian of crypto-assets** — a person having the licence or authorisation to provide crypto-asset custody service;
(18) **trading platform for crypto-assets or trading platform** — a multilateral platform via which brings together or facilitates the bringing together of other persons' purchase and sale offers in crypto-assets and conclusion of transactions on the platform based thereon, according to the rules of the platform;
(19) **platform operator** — a person having the licence or authorisation to operate a trading platform for crypto-assets;
(20) **conducting purchase and sale of crypto-assets on own behalf** — conducting purchase and sale of crypto-assets on own behalf for the purpose of ensuring the liquidity of any crypto-asset (including through two-way quotations) or executing orders of the client. Criteria for evaluation of the objectives of activities provided for by this point may be prescribed by a regulatory legal act of the Board of the Central Bank;
(21) **reception and transmission of orders for crypto-asset transactions** — reception and transmission of orders for crypto-asset purchase and sale from clients and transmission thereof to another person for the purpose of concluding or executing purchase and sale

transactions;

(22) **placement of crypto-assets** — the first sale of crypto-assets to the acquirer. Placement may be carried out by the issuer of crypto-assets or by the person having the right to provide the service provided for by point 6 of part 1 of Article 16 of this Law (person carrying out placement);

(23) **person carrying out placement** — a person who acquires crypto-assets from the issuer for the purpose of placement and offers or sells issuer's crypto-assets for the purpose of placement;

(24) **provision of advice on crypto-assets** — provision of individual advice on transactions with crypto-assets or crypto-asset services to the client;

(25) **crypto-asset portfolio management** — management, by a person, of crypto-assets, funds envisaged for investing in crypto-assets, transferred to his or her possession, belonging to the client and to the benefit of the client or other persons indicated by the client (beneficiary) on own behalf, as per the instructions of the client;

(26) **transfer of crypto-assets** — transfer of crypto-assets available on the account of the client from one distributed ledger account or address to another;

(27) **white paper** — a document containing the information prescribed by this Law and regulatory legal acts adopted based thereon, regarding the issuer and the crypto-assets offered, based whereon the public offering of crypto-assets is carried out or admission to trading of crypto-assets on the trading platform is provided;

(28) **reserve assets** — the basket of assets envisaged for keeping the value of the asset-referenced token stable and carrying out the repurchase or repayment of the asset-referenced token;

(29) **client** — a person using services of a crypto-asset service provider or who has applied to the crypto-asset service provider for using that services;

(30) **qualified investor** — a person meeting the criteria for a qualified investor provided for by the Law "On securities market" or a person meeting the criteria prescribed by the regulatory legal acts adopted on the basis of sub-point "d" of point 23 of Article 3 of the Law "On securities market" in the field of crypto-assets;

(31) **professional client** — a client meeting the criteria and requirements to be deemed a qualified investor;

(32) **security** — as per the meaning used by the Law "On securities market";

(33) **crypto-asset service** — crypto-asset service or activity prescribed by Article 16 of this Law;

(34) **competent body of a foreign state** — a competent state body controlling the market in crypto-assets of a foreign state;

(35) **address** — a unique combination of letters, numbers or other characters which belongs to the specific account in the distributed ledger or a ledger established through another similar technology and to or from which a crypto-assets may be transferred.

2. The concepts used in this Law, which are not defined by part 1 of this Article, shall be applied in the meaning defined by the Civil Code of the Republic of Armenia and the Law "On securities market", unless another meaning of their use follows from the provisions of this Law.

SECTION 2

PUBLIC OFFERING AND PURCHASE AND SALE OF CRYPTO-ASSETS

CHAPTER 2

PUBLIC OFFERING OF CRYPTO-ASSETS AND THEIR ADMISSION TO TRADING ON TRADING PLATFORMS

Article 4. Scope of application of this Section

1. This Section shall not extend to:

(1) the public offering of crypto-assets offered gratuitously;

(2) the public offering of the crypto-assets that are automatically created as a reward for the maintenance of a distributed ledger or the validation of transactions;

(3) the public offering of utility tokens that the acquirer has the right to use for acquiring any existing good or service or using it;

(4) the public offering of the crypto-assets that the acquirer has the right to use only to use goods or services offered by a group of persons carrying out entrepreneurial activity in a contractual relationship with the issuer.

2. Within the meaning of part 1 of this Article, crypto-assets shall not be deemed offered gratuitously, where the crypto-assets acquirer undertakes to provide personal data prescribed by the Law "On protection of personal data" to the issuer for the given crypto-asset, or the issuer receives any payment, monetary or non-monetary compensation from the acquirer for the transfer of the given crypto-asset.

3. The exceptions provided for by points 1, 3 and 4 of part 1 of this Article shall not apply, when

the issuer announces the intention thereof to seek admission to trading of the given crypto-assets on the trading platform.

4. Where the public offering of crypto-assets is carried out by a person other than the issuer, the provisions of this Section that relate to the issuer shall extend to the given person, unless otherwise prescribed by this Section.

5. This Section shall not extend to asset-referenced tokens, taking into account part 2 of Article 59 of this Law.

6. Transactions for the public purchase and sale of crypto-assets, provided for by point 2 of part 1 of this Article, may be carried out only through (with) persons having the right to provide crypto-asset services.

Article 5. Public offering of crypto-assets

1. Carrying out public offering of crypto-assets in the Republic of Armenia without publication of the white paper as prescribed by this Section shall be prohibited.

2. The requirement prescribed by part 1 of this Article shall not cover the public offerings of crypto-assets, when:

(1) the offering is addressed to no more than 150 natural or legal persons (the number of persons for whom or on behalf of whom the crypto-assets are acquired shall be taken into account in case of acquisition of crypto-assets by persons providing crypto-asset services or the organisations prescribed by Article 18 of this Law, having the authorisation to provide crypto-asset services);

(2) the aggregate value of offered crypto-assets at the issuance or sale price does not exceed, within 12 month (from the day of publication of the offering), the amount defined by the regulatory legal acts of the Board of the Central Bank;

(3) the offering is addressed exclusively to qualified investors, and the given crypto-assets may be acquired only by the qualified investors following the offering.

3. The exceptions prescribed by part 2 of this Article shall not apply, when the issuer makes known upon a public announcement the intention thereof to seek admission to trading of the given crypto-assets on the trading platform.

4. Each subsequent public offering of the same crypto-assets shall be deemed a separate public offering whereto the provisions provided for by this Section shall apply.

5. No white paper shall be drawn up for the subsequent public offering prescribed by part 4 of this Article, where the white paper has already been published in compliance with this Section.

6. Where the exceptions prescribed by part 1 of Article 4 of this Law and part 2 of this Article apply to the public offering of crypto-assets, but the white paper is drawn up voluntarily, the requirements prescribed by this Section shall apply to the white paper.

7. Public offering of crypto-assets of a foreign issuer may be carried out only by the person provided for by point 6 of part 1 of Article 16 of this Law, who has concluded a contract on providing crypto-asset placement services with the issuer.

Article 6. Admission to trading of crypto-assets on the trading platform

1. Admission to trading of crypto-assets on the trading platform without publication of the white paper as prescribed by this Section shall be prohibited.

2. Where the crypto-assets are admitted to trading on the trading platform upon the initiative of the platform operator, and where a requirement for publication is provided for, and the white paper is not published in compliance with Article 9 of this Law, the platform operator shall be obliged to meet the requirement prescribed by part 1 of this Article.

3. A written agreement concluded between the person seeking admission to trading of crypto-assets on the trading platform and the platform operator may determine that the platform operator shall publish the white paper as prescribed by this Law instead of the issuer.

4. The requirement for publication of the white paper, provided for by part 1 of this Article, shall not apply, where:

(1) the crypto-assets have already been admitted to trading on any trading platform of the Republic of Armenia; and

(2) the white paper has been drawn up and updated pursuant to Articles 13 and 14 of this Law, respectively.

Article 7. Requirements for marketing communication

1. Any information regarding the public offering of crypto-assets or their admission to trading on the trading platform, which has been published on various information means as marketing communication (hereinafter referred to as "marketing communication"), must meet the following requirements:

(1) must not contain misleading information;

(2) must be presented as marketing communication;

(3) must comply with the information included in the white paper, if a requirement for publication of the white paper is provided for by this Law.

2. The requirements for the marketing communication, prescribed by this Article, shall not extend to public offerings of crypto-assets prescribed by part 2 of Article 5 of this Law.

3. In case of a requirement for publication of the white paper under this Law, the marketing communication must not be published earlier than the publication of the white paper. This requirement must not restrict the performance of actions necessary for evaluating the interest of potential acquirers in crypto-assets offered in future by the issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator.

4. The Central Bank may require, as prescribed by the regulatory legal acts thereof, to submit thereto any document or announcement used for a marketing communication regarding the public offering of crypto-assets or their admission to trading on the trading platform with a view to checking their compliance with the requirements prescribed by this Law and the regulatory legal acts of the Board of the Central Bank.

5. The Board of the Central Bank may define detailed requirements for the marketing communication regarding the public offering of crypto-assets or their admission to trading on the trading platform.

Article 8. Notification of the white paper and marketing communication

1. The issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall submit the white paper to the Central Bank at least 20 working days before the publication of the white paper (in case of the white paper for asset-referenced tokens — 30 working days), as prescribed by the Board of the Central Bank.

2. A substantiation shall be submitted to the Central Bank, along with the white paper prescribed by part 1 of this Article, to the effect why the crypto-asset offered by the white paper or admitted to trading on the trading platform shall not be deemed:

(1) a crypto-asset deemed to be beyond the subject matter of this Law, pursuant to parts 3-6 and 8 of Article 1 of this Law;

(2) an asset-referenced token (in case of issuing a crypto-asset other than an asset-referenced token).

3. The issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall submit the marketing communication prescribed by Article 7 of this Law to the Central Bank within one working day after receiving the request for submitting the marketing communication.

4. The Central Bank shall not register the white paper and the marketing communication submitted pursuant to parts 1 and 3 of this Article.

5. For the purpose of ensuring financial stability and protecting the interests of crypto-asset acquirers, as well as where the white paper has not been drawn up with the content prescribed by this Law and regulatory legal acts adopted based thereon, the Central Bank may request the issuer or the person seeking admission to trading of crypto-assets on the trading platform or the platform operator to make amendments or supplements to the white paper or the marketing communication. Where the request of the Central Bank has been submitted within the time limit prescribed by part 1 of this Article, that time limit may be suspended, and where the request of the Central Bank has been submitted during the public offering of crypto-assets or their circulation on the trading platform, the Central Bank may suspend the public offering of the crypto-assets or their admission to the trading platform.

Article 9. Publication of the white paper and marketing communication

1. The issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall publish on the website thereof the white paper and the marketing communication (where available) at least three working days before starting the public offering of crypto-assets or obtaining admission to trading of crypto-assets on the trading platform.

2. The white paper and the marketing communication (where available) must be available on the website of the issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator so long as the given crypto-assets have not been redeemed or cancelled.

3. The form and contents of the published white paper and marketing communication must, during the entire period of publication, comply with the form and contents of the white paper and marketing communication submitted to the Central Bank.

4. The Board of the Central Bank may prescribe detailed rules of publication of the white paper and marketing communication under the regulatory legal acts thereof.

Article 10. Publication on results of public offering of crypto-assets

1. Where the white paper defines a deadline for the public offering of crypto-assets, the issuer shall be obliged to publish, within 20 working days following the expiry of the public offering of

crypto-assets, a report on the results of the public offering of crypto-assets in the form and manner prescribed by the regulatory legal acts of the Board of the Central Bank.

2. Where the white paper does not define a deadline for the public offering of crypto-assets, the issuer shall be obliged to publish regularly, at least on a monthly basis, on its website information on the number of crypto-assets in circulation.

3. Where the white paper defines a deadline for the public offering of crypto-assets, the issuer must have procedures for the reliable safekeeping of funds engaged through the public offering of crypto-assets and crypto-assets during the public offering. To this end, the issuer shall be obliged to at least ensure that the funds engaged through the public offering are kept in any commercial bank of the Republic of Armenia, and the crypto-assets are transferred to custody to any person having the right to carry out custody of crypto-assets prescribed by this Law.

4. Where the white paper does not define a deadline for the public offering of crypto-assets, the issuer shall be obliged to meet the requirement prescribed by part 3 of this Article before the expiry of the deadline for exercising the right to waive the contract on acquisition of crypto-assets by the crypto-asset acquirer, prescribed by Article 15 of this Law.

Article 11. Responsibilities of the issuer of crypto-assets and the person seeking admission to trading of crypto-assets on the trading platform

1. Only after the publication of the white paper and updated white paper (where available) as prescribed by this Law:

(1) issuers may carry out public offering of the given crypto-assets;

(2) persons seeking admission to trading of crypto-assets on the trading platform may seek admission to trading of the given crypto-assets on the trading platform.

2. Issuers and persons seeking admission to trading of crypto-assets on the trading platform shall be obliged to:

(1) show fair and non-misleading treatment towards crypto-asset acquirers;

(2) reveal, as well as undertake reasonable actions for detecting, preventing (in case of impossibility thereof — reducing) and revealing potential conflicts of interests;

(3) ensure at all times the security of all of their information systems.

3. Issuers and persons seeking admission to trading of crypto-assets on the trading platform shall be obliged to show equal treatment towards all crypto-asset acquirers, where differentiated treatment towards any crypto-asset acquirer and its justification have not been revealed in the white paper, marketing communication (where such a requirement is provided for under this Law) or another official publication.

4. In case of revocation of the public offering of crypto-assets by the issuer or its termination by the Central Bank, the issuer shall be obliged to ensure that the means (funds, crypto-assets) engaged from crypto-asset acquirers are returned to those persons within 25 days following the revocation or termination of the public offering.

Article 12. Liability for information included in the white paper

1. Where incomplete (a significant fact has been omitted), inaccurate, unclear or misleading information has been included in the white paper or updated white paper prescribed by this Section, including their translation, the issuer (the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator) shall be liable for the damages incurred by crypto-asset acquirers as a result of the deficiencies provided for by this part.

2. Any agreement which precludes or restricts the liability prescribed by part 1 of this Article shall be null and void.

3. The issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall not bear liability against crypto-asset acquirers for the damage incurred as a result of a decision on acquisition rendered on the basis of the information included in the summery of white paper, including its translation, except where the white paper is incomplete, misleading, incorrect or does not comply with the other parts of the white paper.

Article 13. Form and content of the white paper

1. Requirements for the form and content of the white paper shall be prescribed by the regulatory legal acts of the Board of the Central Bank. The requirements for the form and contents of the white paper may differ depending on the type of crypto-assets offered.

2. The white paper must not include any announcement or attestation about the future value of crypto-assets, except for the provisions prescribed by part 3 of this Article.

3. The white paper shall contain a clear provision to the effect that:

(1) the crypto-assets may partially or fully lose their value;

(2) the crypto-assets may sometimes be non-liquid;

(3) in case of utility tokens, they may fail to ensure the rights provided for by the white paper to acquire or use the good or service.

4. The white paper shall contain a summary presenting the brief description of the essential information contained in it. The summary shall contain a warning provision to the effect that:

(1) the summary is deemed a brief introductory description of the white paper;

(2) the decision on acquisition of offered crypto-assets must be based on the complete white paper and not the summary only.

5. The white paper shall be published in an easily legible font size and type and in Armenian. The requirement for publication of the white paper in Armenian shall not restrict the publication of the white paper in other languages along with the Armenian. Where there is a semantic discrepancy between the white papers published in other languages along with the Armenian, or they may be interpreted in different meanings, the document published in Armenian shall prevail.

Article 14. Updates of the white paper and marketing communication

1. During the entire period of the public offering of crypto-assets or so long as the admission to trading of crypto-assets on the trading platform has not been terminated, and in case of asset-referenced tokens — during the entire period of their circulation, in case of an essential amendment to the information included in the white paper or marketing communication, emergence of a new essential circumstance or fact, or detection of an essential discrepancy, deficiency, the issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall be obliged to immediately update the white paper published thereby and, where available, the marketing communication as well.

2. The structure of the updated white paper (where available — the updated marketing communication as well) must comply with the structure of the published white paper (marketing communication).

3. The issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall submit the updated white paper (where available — the updated marketing communication as well) with the substantiations for making its updates to the Central Bank at least seven working days (in case of an asset-referenced token — at least 20 working days) before its publication.

4. The issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator shall publish the updated white paper (where available — the updated marketing communication as well) with the substantiations for making its updates pursuant to Article 9 of this Law.

5. The updated white paper (where available — the updated marketing communication as well) and the old versions (old marketing communications) must be published chronologically and be available on the website of the issuer or the person seeking admission to trading of crypto-assets on the trading platform or, in the case prescribed by part 2 of Article 6 of this Law, the platform operator so long as the given crypto-assets have not been redeemed or cancelled. The final (effective) version of the updated white paper (where available — of the updated marketing communication as well) must have the "effective" status.

6. The old versions of the white paper and where available — of the marketing communication as well must contain a warning provision that is in an easily legible (striking, bigger) font size, type and visible, to the effect that the given versions are no longer in effect (in force), concurrently including a link to the final (effective) versions of the updated white paper or updated marketing communication.

7. At least the following shall be deemed an essential amendment to the information included in the white paper for asset-referenced tokens, emergence of a new essential circumstance or fact, prescribed by part 1 of this Article:

(1) changes of the management system and risk management mechanism of the issuer of asset-referenced tokens;

(2) changes of reserve asset types or thresholds and their custodian;

(3) changes of rights of acquirers stipulated by an asset-referenced token;

(4) changes of the mechanism for issuance and redemption of asset-referenced tokens;

(5) other changes prescribed by the regulatory legal acts of the Board of the Central Bank.

8. In case of updating the white paper for asset-referenced tokens, the Central Bank may request the issuer of the asset-referenced tokens to introduce additional mechanisms for protection of interests of acquirers in the case when the updated amendment to the white paper, new essential circumstance or fact may have an essential impact on the price, stability or riskiness of the asset-referenced token or on reserve assets.

9. The Board of the Central Bank may define detailed rules for updates of the white paper and marketing communication by the regulatory legal acts thereof.

Article 15. Right to waive the contract on acquisition of crypto-assets (contemplation period)

1. A contemplation period shall be provided to crypto-asset acquirers not deemed a qualified investor as prescribed by the regulatory legal acts of the Board of the Central Bank, during which

they may waive the contract on acquisition of crypto-assets concluded with the issuer or person making placement without any legal consequences (including fines) and the obligation to reveal the reasons for waiver.

2. The contemplation period provided for by part 1 of this Article shall commence from the moment of conclusion of the contract on acquisition of crypto-assets between the issuer or person making placement and the crypto-asset acquirer not deemed a qualified investor and shall take 4 days.

3. In case of waiving the contract on acquisition of crypto-assets pursuant to parts 1 and 2 of this Article, the issuer or person making placement shall immediately return the means engaged from the crypto-asset acquirer thereto. In case of transfer, by crypto-asset acquirers, of funds against the acquisition of crypto-assets, as well as waiver of the contract on acquisition of crypto-assets, the manners of returning the given funds must be the same, unless otherwise provided for by the written agreement of crypto-asset acquirers.

4. The right to waive the contract on acquisition of crypto-assets shall not be applied after the expiry of the deadline for the public offering of crypto-assets, where a deadline for public offering of crypto-assets is defined in the white paper.

5. The right to waive the contract on acquisition of crypto-assets shall not be applied, where the crypto-assets have been admitted to trading on the trading platform before the acquisition of those crypto-assets by the crypto-asset acquirer not deemed a qualified investor.

SECTION 3

CRYPTO-ASSET SERVICES

CHAPTER 3

CRYPTO-ASSET SERVICES AND THEIR PROVIDERS

Article 16. Crypto-asset services

1. Within the meaning of this Law, crypto-asset services shall be deemed the following by a person:

(1) operation of the trading platform for crypto-assets;
(2) custody of crypto-assets;
(3) carrying out purchase and sale of crypto-assets on own behalf;
(4) carrying out purchase and sale of crypto-assets on behalf of the client;
(5) reception and transmission of orders for crypto-asset transactions;
(6) placement of crypto-assets;
(7) crypto-asset portfolio management;
(8) provision of advice on crypto-assets;
(9) transfer of crypto-assets;
(10) issuance of asset-referenced tokens.

Article 17. Crypto-asset service providers

1. Direct or indirect offer or provision of crypto-asset services without the licence issued as prescribed by this Law and regulatory legal acts adopted based thereon shall be prohibited, except for the cases prescribed by this Law.

2. A crypto-asset service provider shall be a joint-stock or limited liability company having obtained a licence for providing crypto-asset services in the territory of the Republic of Armenia from the Board of the Central Bank as prescribed by this Law and regulatory legal acts adopted based thereon, the activity of which shall be provision of crypto-asset services.

3. The legal norms prescribed for crypto-asset service providers by this Law and regulatory legal acts adopted based thereon, from the essence whereof it obviously follows that the word may not go of a branch of foreign companies carrying out activities in the territory of the Republic of Armenia, shall not extend to branches of foreign crypto-asset service providers (hereinafter also referred to as "foreign company") carrying out activities in the territory of the Republic of Armenia.

4. Crypto-asset services may be provided also by the persons prescribed by Article 18 of this Law.

5. Crypto-asset service providers shall be prohibited to carry out any other activity not provided for by this Chapter.

6. The Board of the Central Bank shall have the right to authorise crypto-asset service providers by its regulatory legal acts to carry out such other types of activities which are closely related to the provision of the services provided for by part 1 of Article 16 of this Law, by prescribing, upon necessity, rules for their implementation.

7. This Section shall not extend to the provision of the services prescribed by points 2 and 9 of part 1 of Article 16 of this Law, where they are provided with crypto-assets provided for by points 1, 3 and 4 of part 1 of Article 4 of this Law, and those crypto-assets are not admitted to trading on

the trading platform for crypto-assets.

8. Word combinations and words expressing "crypto-asset services", "crypto-asset service provider", "crypto-broker", "crypto-dealer", "crypto-currency exchange", "crypto-exchange", "crypto-exchange office", as well as any type of crypto-asset, their inflected forms, Armenian transliteration of those words in a foreign language, translations or their combinations in their trade name may be used only by persons having the right to provide crypto-asset services as prescribed by this Law, except for the cases when it obviously derives from their use that the word does not go of provision of crypto-asset services.

Article 18. Provision of crypto-asset services by banks, investment companies, payment and settlement organisations, investment fund managers, regulated market operator and the Central Depository

1. In case of obtaining an authorisation as prescribed by this Law and regulatory legal acts adopted based thereon, crypto-asset services may be provided by the following persons:

(1) the services prescribed by points 1-9 of part 1 of Article 16 of this Law — an investment company;

(2) the services prescribed by points 2, 7 or 8 of part 1 of Article 16 of this Law — an investment fund manager, in the cases provided for by parts 4 and 5 of Article 52 of the Law "On investment funds";

(3) the service prescribed by point 1 of part 1 of Article 16 of this Law — a regulated market operator;

(4) the service prescribed by point 2 of part 1 of Article 16 of this Law — the Central Depository.

2. The persons prescribed by part 1 of Article 68 of this Law may provide — without obtaining the licence or authorisation prescribed by this Law — the service prescribed by point 10 of part 1 of Article 16 of this Law exclusively in relation to electronic money tokens, as well as the services prescribed by points 2 or 9 of part 1 of Article 16 of this Law, provided that they are provided exclusively with the electronic money tokens issued thereby.

3. The provisions prescribed by Articles 32, 33, 36, 38-41, 43-46, 75-80 and Chapter 9 of this Law for crypto-asset service providers shall extend to the persons prescribed by part 1 of this Article in the parts relating to the services provided by the given persons.

4. The Board of the Central Bank may prescribe, upon regulatory legal acts thereof, requirements for internal control or risk management systems for the persons prescribed by parts 1 and 2 of this Article, as well as requirements aimed at ensuring the organisational and financial separation of provision of crypto-asset services within their structure in order to reduce the risks arising from combination of crypto-asset service provision with their activity.

CHAPTER 4

LICENSING OF CRYPTO-ASSET SERVICE PROVIDERS

Article 19. Licence for provision of crypto-asset services, decisions on licensing, registration and authorisation

1. The licence for provision of crypto-asset services shall be issued for an indefinite term.

2. The license or the rights provided for thereby may not be pledged, transferred or otherwise alienated.

3. The licence for provision of crypto-asset services shall contain the full trade name and registration number of the crypto-asset service provider, types of crypto-asset services authorised by the licence, the year, month, day of issuance of the licence and the number thereof.

4. The single form of the licence shall be defined by the regulatory legal acts of the Board of the Central Bank.

5. The license shall be issued for providing one or more types of crypto-asset services. The licence shall be reformulated in cases of obtaining a licence for providing each other type of service or repealing or revoking the licence for provision of any type of service, as well as change of the trade name of the crypto-asset service provider, as prescribed by the regulatory legal acts of the Board of the Central Bank.

6. A crypto-asset service provider may provide only the crypto-asset service for which the licence has been obtained thereby.

7. The requirements provided for by parts 1-6 of this Article shall also extend to decisions on issuing the authorisation provided for by Articles 22 and 27 of this Law.

8. The procedure for registration and licensing of crypto-asset service providers, branches and representative offices of foreign companies, as well as for the authorisation for crypto-asset service provision by the persons provided for by part 1 of Article 18 of this Law shall be prescribed exclusively by this Law and regulatory legal acts prescribed by the Board of the Central Bank. Where other provisions are prescribed by other laws, the provisions of this Law shall have effect as special norms regulating relations arising in the market in crypto-assets of the Republic of Armenia.

Article 20. Registration and licensing of a crypto-asset service provider

1. Founders of a crypto-asset service provider (hereinafter referred to as "applicant") shall submit the following information and documents, in the form and with the content prescribed by the Board of the Central Bank, to the Central Bank for the registration and licensing of the crypto-asset service provider:

(1) application for registration and licensing;

(2) name, contacts (telephone number, electronic mail and other means of contact) of the applicant;

(3) the business plan of the applicant, in case of provision of the services prescribed by points 1, 2 and 10 of part 1 of Article 16 of this Law;

(4) the statute approved by the competent management body of the applicant;

(5) registration number of the trade name of the applicant;

(6) draft rules approved by the competent management body of the applicant;

(7) decision of the competent management body of the applicant on appointing executive officers of the applicant;

(8) application for registration of executive officers and other documents prescribed by the regulatory legal acts of the Board of the Central Bank;

(9) the information and documents prescribed by Article 28 of this Law and regulatory legal acts adopted by the Board of the Central Bank for obtaining a prior authorisation for qualifying holding in the authorised capital of the applicant;

(10) the document confirming the payment to the account of the authorised capital opened with the Central Bank or any other bank not associated with the applicant and operating in the territory of the Republic of Armenia;

(11) statement on the compliance of the premises of the applicant with the criteria defined by the Board of the Central Bank;

(12) statement on the compliance of the applicant with the information security assurance standards prescribed by the regulatory legal acts of the Board of the Central Bank;

(13) receipt of payment of the state duty in the manner and amount prescribed by the Law “On state duty”;

(14) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

2. The Board of the Central Bank shall define, upon regulatory legal acts thereof, detailed requirements for the content of the documents and information provided for by part 1 of this Article.

3. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, exceptions for submission of certain documents and information provided for by part 1 of this Article for non-resident qualified holders and executive officers, where the opportunity to submit such documents or information is restricted by the legislation of the given country or they do not apply to the given person.

4. An operating crypto-asset service provider shall submit the following information and documents, in the form and with the content prescribed by the Board of the Central Bank, to the Central Bank for obtaining a licence for provision of additional (another one or more) crypto-asset service:

(1) the application for licence for provision of additional crypto-asset service;

(2) amendments made to the statute approved by the competent management body of the crypto-asset service provider, the rules of activities and business plan;

(3) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

5. Where the information provided for by parts 1 and 4 of this Article have been submitted with deficiencies or incompletely, the Central Bank shall request to eliminate the deficiencies in the given information. Where amendments have been made to the information required by the application and the documents submitted attached thereto during the examination of the application prescribed by this Article, the applicant shall be obliged to submit the amended information as well before the Board of the Central Bank renders a decision on registering or issuing a licence or rejecting the registration or issuance of the licence. In the cases prescribed by this part, the application shall be deemed submitted from the moment the Central Bank receives the amended information and documents.

6. The Central Bank may also request additional information necessary for the estimation of authenticity of the information specified in parts 1 and 4 of this Article. In case of the request of the Central Bank prescribed by this part, the applicant shall be obliged to submit the additional information to the Central Bank within the shortest period possible. In the case prescribed by this part, the two-month period for registration or examination of the application for licence, prescribed by part 8 of this Article, and in case of the licence for provision of additional crypto-asset services — the one-month period may be suspended in the manner and for the period prescribed by Article 92 of this Law.

7. The Board of the Central Bank shall take a decision on registration of the applicant and issuance of licence, if the submitted documents and information are in conformity with this Law, other laws and legal acts, and there are no grounds prescribed by this Law for rejecting the registration and the issuance of the licence.

8. The Board of the Central Bank shall register and license the applicant or reject the

registration and licensing within two months after the application is submitted by the applicant. The Board of the Central Bank shall render the decision on issuance of licence for provision of additional crypto-asset services within one month after receiving the application for the licence. A decision on amendment to the statute, change of executive officers of the applicant and other amendments (where available) being registered under the law or regulatory legal acts prescribed by the Board of the Central Bank shall also be taken concurrently with the decisions specified in this point.

9. The Board of the Central Bank shall be obliged to hand over the registration certificate and licence or the decision on rejecting the registration and issuance of the licence to the applicant within five working days after taking the decision on registration and issuance of the licence or on rejecting the registration and issuance of the licence.

10. The Board of the Central Bank may reject the registration and licensing of the applicant or the issuance of the licence for provision of additional crypto-asset service, where:

(1) the submitted documents are not in conformity with this Law, regulatory legal acts adopted based thereon, false or deficient documents have been submitted, or non-reliable information has been reflected therein;

(2) executive officers do not comply with the requirements prescribed by this Law and regulatory legal acts of the Central Bank;

(3) the submitted statute contradicts the requirements prescribed by this Law and other legal acts;

(4) the submitted rules of activities do not comply with the requirements prescribed by this Law and regulatory legal acts of the Central Bank;

(5) in the reasonable opinion of the Central Bank, the business plan is unrealistic or the applicant may not properly provide crypto-asset services by acting in compliance with the business plan;

(6) qualifying holders of the applicant do not meet the requirements prescribed by this Law and regulatory legal acts of the Central Bank, or any one of the grounds prescribed by part 1 of Article 29 of this Law exists;

(7) in the reasonable opinion of the Board of the Central Bank, the activities, financial position, negative reputation, absence of experience in the financial or crypto-asset field of qualifying holders of the applicant or persons affiliated thereto may endanger the interests or rights of clients or may hinder the proper provision of crypto-asset services by the applicant or exercise of proper control by the Central Bank;

(8) the minimum amount of the authorised capital prescribed by this Law has not been paid;

(9) in the reasonable opinion of the Board of the Central Bank, proceeds of crime are being planned to be put into circulation, or the activity is planned to be carried out with the use of such schemes which may distort the spotlessness or financial stability of the market in crypto-assets;

(10) the premises envisaged for provision of crypto-asset services fail to comply with the requirements prescribed by the regulatory legal acts of the Board of the Central Bank;

(11) the applicant does not comply with the information security assurance standards prescribed by the regulatory legal acts of the Board of the Central Bank;

(12) the applicant does not meet other requirements prescribed by this Law and other legal acts for provision of crypto-asset services.

Article 21. Provision of crypto-asset services in the Republic of Armenia by a foreign company

1. A foreign company may directly or indirectly offer or provide crypto-asset services in the territory of the Republic of Armenia exclusively through the establishment of a subsidiary or branch in the territory of the Republic of Armenia.

Article 22. Authorisation for carrying out branch or representative office activities by a foreign company in the territory of the Republic of Armenia

1. Foreign companies may carry out branch or representative office activities related to crypto-asset services in the territory of the Republic of Armenia in case of obtaining — from the Central Bank — the authorisation as prescribed by this Law and the regulatory legal acts of the Board of the Central Bank.

2. Only foreign companies licensed by or having obtained authorisation from or registered by a foreign competent body may apply for obtaining an authorisation for carrying out branch or representative office activities related to crypto-asset services in the territory of the Republic of Armenia.

3. In order to obtain an authorisation for carrying out branch activities of a foreign company related to crypto-asset services in the territory of the Republic of Armenia (hereinafter referred to as "branch of foreign company"), the foreign company shall submit the following information and documents, in the form and with the content prescribed by the Board of the Central Bank, to the Central Bank:

(1) an application on issuing authorisation for branch activities;

(2) a decision of the competent management body of the foreign company on carrying out branch activities in the Republic of Armenia or an excerpt from record thereof;

(3) a decision of the competent body of the respective foreign state on authorising or not objecting to issuing authorisation for activities of a branch in the Republic of Armenia, or another document;

(4) a statement of information issued by the competent body of the respective foreign state to the effect that the foreign company has authorisation for providing crypto-asset services and provides crypto-asset services pursuant to the legislation of the given state;

(5) the business plan of the branch, in case of provision of the services prescribed by points 1, 2 and 10 of part 1 of Article 16 of this Law;

(6) the statute of the branch, approved by the competent management body;

(7) draft rules of activities of the branch;

(8) copies of the registration certificate, the statute or other founding documents and the license for provision of crypto-asset services, in Armenian, certified through notarial procedure pursuant to the legislation of the country of registration of the foreign company;

(9) financial statements of the foreign company drawn up in compliance with the International Financial Reporting Standards for the last three years, and in case of having carried out activities for less than three years — for all the reporting years of having carried out activities, and independent audit opinions thereon;

(10) decision of the competent management body of the foreign company on appointing executive officers of the branch of the foreign company;

(11) application of the foreign company for registration of executive officers and other documents prescribed by the regulatory legal acts of the Board of the Central Bank;

(12) statement of information on persons with qualifying holding in the foreign company;

(13) statement on the compliance of the premises of activities of the branch of the foreign company with the criteria prescribed by the regulatory legal acts of the Board of the Central Bank;

(14) statement on the compliance of the branch of the foreign company with the information security assurance standards prescribed by the regulatory legal acts of the Board of the Central Bank;

(15) receipt of payment of the state duty in the manner and amount prescribed by the Law “On state duty”;

(16) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

4. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, additional conditions for the provision of crypto-asset services in the territory of the Republic of Armenia by branches of a foreign company. Those conditions shall be the same for all branches of all foreign companies operating in the territory of the Republic of Armenia.

5. A branch of a foreign company shall submit the following information and documents, in the form and with the content prescribed by the Board of the Central Bank, to the Central Bank for obtaining an authorisation for provision of additional (another one or more) crypto-asset service:

(1) the application for authorisation for provision of additional crypto-asset service;

(2) amendments made to the statute, rules of activities and business plan;

(3) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

6. In order to obtain an authorisation for carrying out representative office activities of a foreign company related to crypto-asset services in the territory of the Republic of Armenia (hereinafter referred to as "representative office of foreign company"), the foreign company shall submit the following documents in the form and with the content prescribed by the Board of the Central Bank:

(1) an application on issuing authorisation for representative office activities;

(2) a decision of the competent management body of the foreign company on carrying out representative office activities in the Republic of Armenia;

(3) a decision of the competent body of the respective foreign state on authorising or not objecting to issuing authorisation for activities of a representative office in the Republic of Armenia, or another document;

(4) a statement of information issued by the competent body of the respective foreign state to the effect that the foreign company has authorisation for providing crypto-asset services and provides crypto-asset services pursuant to the legislation of the given state;

(5) the statute of the representative office, approved by the competent management body;

(6) copies of the registration certificate, the statute or other founding documents and the licence for provision of crypto-asset services, in Armenian, certified through notarial procedure pursuant to the legislation of the country of registration of the foreign company;

(7) financial statements of the foreign company drawn up in compliance with the International Financial Reporting Standards for the last three years, and in case of having carried out activities for less than three years — for all the reporting years of having carried out activities, and independent audit opinions thereon;

(8) a statement of information on persons with qualifying holding in the foreign company;

(9) receipt of payment of the state duty in the manner and amount prescribed by the Law “On state duty”;

(10) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

7. The Board of the Central Bank shall prescribe, upon regulatory legal acts thereof, detailed

requirements for the content of the documents and information provided for by parts 3, 5 and 6 of this Article.

8. The Board of the Central Bank may, in cases prescribed by the regulatory legal acts thereof, prescribe exceptions for submission of certain documents specified in parts 3, 5 and 6 of this Article, where the opportunity to submit such documents or information is restricted by the legislation of the given country or they do not apply to the given person.

9. Where the information provided for by parts 3, 5 and 6 of this Article have been submitted with deficiencies or incompletely, the Central Bank shall request to eliminate the deficiencies in that information. Where amendments have been made to the information required by the application and the documents submitted attached thereto during the examination of the application, the person having submitted the application shall be obliged to submit the changed information as well. In the cases prescribed by this part, the application shall be deemed submitted from the moment the Central Bank receives the amended information and documents.

10. The Central Bank may also request additional information necessary for the estimation of authenticity of the information specified in parts 3, 5 and 6 of this Article. In case of the request of the Central Bank prescribed by this part, the applicant shall be obliged to submit the additional information to the Central Bank within the shortest period possible. In the case prescribed by this part, the two-month period for examination of the application for registration, prescribed by part 12 of this Article, may be suspended in the manner and for the period prescribed by Article 92 of this Law.

11. The Central Bank shall take a decision on authorisation of activities of a branch or representative office of the foreign company or on authorisation of provision of additional crypto-asset services by the branch, where the submitted documents and information comply with this Law, other laws and legal acts and there are no grounds prescribed by this Law for rejecting the authorisation of activities of the branch or representative office of the foreign company.

12. The Central Bank shall issue an authorisation for activities of a branch or representative office of a foreign company or reject the issuance of the authorisation for activities of a branch or representative office within two months after submission of the application by the foreign company. A decision on change of executive officers of the applicant, as well as other amendments (where available) being registered under the law or regulatory legal acts prescribed by the Board of the Central Bank shall also be taken concurrently with the decisions specified in this point.

13. The Central Bank shall be obliged to transfer to the foreign company — within five working days after taking the decision on issuing authorisation for activities of a branch or representative office of a foreign company — the certificate on issuing authorisation.

14. The Central Bank may reject the application for authorisation for activities of a branch of a foreign company or of the authorisation for provision of additional crypto-asset services, where:

(1) the submitted documents are not in conformity with this Law, regulatory legal acts adopted based thereon, false or deficient documents have been submitted, or non-reliable information has been reflected in the submitted documents;

(2) executive officers of the branch of the foreign company do not meet the requirements prescribed by this Law;

(3) the submitted statute contradicts the requirements prescribed by this Law and other legal acts;

(4) the submitted rules of activities do not comply with the requirements prescribed by this Law and regulatory legal acts of the Board of the Central Bank;

(5) in the reasonable opinion of the Central Bank, the business plan is unrealistic or the branch of the foreign company may not properly provide crypto-asset services by acting in compliance with the business plan or may distort the spotlessness or financial stability of the market in crypto-assets;

(6) in the reasonable opinion of the Central Bank, the activities, financial position, negative reputation, absence of experience in the financial or crypto-asset field of qualifying holders of the foreign company or persons affiliated thereto may endanger the interests or rights of clients or may hinder the proper provision of crypto-asset services by the branch of the foreign company or exercise of proper control by the Central Bank;

(7) the given state (including the legislation of the state) does not enable the Central Bank to audit or exercise control as prescribed by law over the branch of the foreign company;

(8) in the reasonable opinion of the Central Bank, it is planned to put into circulation proceeds of crime;

(9) the premises of the branch of the foreign company fail to comply with the requirements prescribed by the regulatory legal acts of the Board of the Central Bank;

(10) the foreign company does not comply with the information security assurance standards prescribed by the regulatory legal acts of the Board of the Central Bank;

(11) the foreign company or the branch of the foreign company does not meet other requirements prescribed by this Law and other legal acts for provision of crypto-asset services.

15. The Central Bank may reject the issuance of authorisation for activities of a representative office of a foreign company, where:

(1) the submitted documents are not in conformity with this Law, regulatory legal acts adopted based thereon, false or deficient documents have been submitted, or non-reliable information has

been reflected in the submitted documents;

(2) the statute of the representative office of the foreign company contradicts the requirements prescribed by this Law and other legal acts;

(3) in the reasonable opinion of the Central Bank, it is planned to assist to the circulation of proceeds of crime.

Article 23. Business plan of a crypto-asset service provider

1. In case of provision of the services prescribed by points 1, 2 and 10 of part 1 of Article 16 of this Law, in the course of its activities, the crypto-asset service provider shall, in the manner, form and within the time-limits prescribed by the regulatory legal acts of the Board of the Central Bank, submit to the Central Bank a report on the implementation of the business plan submitted during the registration and licensing or obtaining authorisation.

2. In case of provision of the services prescribed by points 1, 2 and 10 of part 1 of Article 16 of this Law, the crypto-asset service provider shall be obliged to submit, in the manner, form and within the time-limits prescribed by the regulatory legal acts of the Board of the Central Bank, to the Central Bank the business plan for three years and amendments made thereto.

Article 24. Repealing or revoking the licence of crypto-asset service provider, the authorisation for activities of a branch or representative office of a foreign company

1. The license shall be repealed or revoked upon the decision of the Board of the Central Bank. The license may be repealed or revoked in full or as per separate types of crypto-asset services. In case of repeal or revocation of the licence as per separate types of crypto-asset services, the crypto-asset service provider shall be deprived of the right to provide the given type of crypto-asset service, except for the transactions aimed at the fulfilment of obligations assumed thereby with regard to the provision of the given crypto-asset service, realisation of funds and final distribution thereof.

2. The licence may be repealed, where:

(1) the crypto-asset service provider has not provided crypto-asset services for 12 consecutive months after obtaining the licence;

(2) the crypto-asset service provider has published or submitted to the Central Bank misleading, unreliable information or false documents;

(3) the crypto-asset service provider or executive officers thereof have committed periodic (two and more) or material violations of the requirements of this Law, other laws, regulatory legal acts adopted based thereon, as well as internal legal acts of the crypto-asset service provider;

(4) the crypto-asset service provider has failed to fulfil the assignments given by the Central Bank pursuant to this Law, in the defined time-limit or volume;

(5) prudential standards prescribed by this Law and regulatory legal acts adopted by the Board of the Central Bank based thereon have been violated in the amount prescribed by the regulatory legal acts of the Central Bank;

(6) any one of the grounds for rejecting the issuance of the licence prescribed by this Law has emerged after obtaining the licence.

3. The licence may be revoked, where the crypto-asset service provider has submitted to the Central Bank misleading or unreliable information or false documents when applying for the licence.

4. The license may be repealed in full or as per separate types of crypto-asset services based on the application of the crypto-asset service provider, provided that the interests of clients of the crypto-asset service provider are sufficiently protected.

5. The Central Bank may reject the application provided for by part 4 of this Article for repealing the licence, where there are sufficient grounds for concluding that the repealing of the licence may endanger the interests of clients.

6. The Central Bank shall — within a period of one month upon receiving the application provided for by part 4 of this Article — take a decision on repealing the licence in full or as per separate types of crypto-asset services or on rejecting the application.

7. The Central Bank may request information necessary for rendering a decision on repealing the licence of the crypto-asset service provider based on the application prescribed by part 4 of this Article. The crypto-asset service provider shall be obliged to submit the requested information to the Central Bank within the shortest period possible. In the case prescribed by this part, the one-month period for examination of the application for licence, prescribed by part 6 of this Article, may be suspended in the manner and for the period prescribed by Article 92 of this Law.

8. Before rendering a decision on repealing the licence based on part 2 of this Article or revoking it based on part 3 of this Article, the Central Bank may request the crypto-asset service provider to eliminate within the prescribed time limit the violations serving as a ground for repealing or revoking the licence.

9. The Board of the Central Bank may assign the crypto-asset service provider upon the decision on repealing or revoking the licence to transfer the obligations against clients to another crypto-

asset service provider, if the consent of the latter and the clients exists.

10. In case the licence is repealed or revoked in full, it shall be returned to the Central Bank within a period of three days.

11. The crypto-asset service provider shall — upon entry into force of the decision on repealing or revoking the licence in full — be deprived of the right to provide crypto-asset services, except for the transactions aimed at the fulfilment of obligations assumed thereby, realisation of funds and final distribution thereof. The crypto-asset service provider shall — upon entry into force of the decision of the Central Bank on repealing or revoking the licence in full — be subject to liquidation as prescribed by law.

12. The decision of the Board of the Central Bank on repealing or revoking the licence upon the grounds prescribed by this Article shall be immediately published. The specified decision shall enter into force upon publication, unless another time limit is prescribed by the decision.

13. The copy of the decision of the Board of the Central Bank on repealing or revoking the licence shall be provided to the crypto-asset service provider within three working days after the adoption thereof. The appeal to the court against the decision of the Board of the Central Bank on repealing or revoking the licence shall not suspend the effect of that decision during the entire course of court examination of the case.

14. The Board of the Central Bank shall repeal the licence of the crypto-asset service provider not as a sanction upon the ground of liquidation of the crypto-asset service provider, its merger in the form prescribed by this Law (in case of a merged company), bankruptcy and upon other grounds prescribed by law.

15. The provisions on repealing or revoking the licence, prescribed by this Article, shall extend to the procedure for repealing the authorisation for activities of a branch of a foreign company. Moreover, the authorisation for activities of a branch of a foreign company shall be repealed also in the case when the foreign company has been deprived, in the country of its registration or place of main activities, of the right to provide the crypto-asset service which the branch of the foreign company provides in the territory of the Republic of Armenia.

16. The Central Bank shall repeal the authorisation for activities of a representative office of a foreign company, where any one of the grounds for rejecting the authorisation for activities of a representative office of a foreign company, prescribed by this Law, has emerged after the entry into force of the authorisation. Moreover, the authorisation for activities of a representative office of a foreign company shall be repealed also in the case when the foreign company has been deprived, in the country of its registration or place of main activities, of the right to provide the crypto-asset service for which the representative office of the foreign company carries out activities in the territory of the Republic of Armenia.

Article 25. Activities of a branch or representative office of a crypto-asset service provider

1. A crypto-asset service provider may establish a branch or representative office in the territory of the Republic of Armenia by informing the Central Bank thereof in advance as prescribed by the regulatory legal acts of the Board of the Central Bank.

2. A branch of a crypto-asset service provider shall be a separated sub-division of the crypto-asset service provider, without the status of legal person and located outside the place of location of the crypto-asset service provider, which operates within the scope of the powers granted thereto by the crypto-asset service provider and provides crypto-asset services on behalf thereof. The branch may provide only those crypto-asset services for provision of which the crypto-asset service provider has been issued a licence.

3. A representative of a crypto-asset service provider shall be a separated sub-division of the crypto-asset service provider, without the status of legal person and located outside the place of location of the crypto-asset service provider, which represents the crypto-asset service provider, studies the market in crypto-assets, concludes contracts on behalf of the crypto-asset service provider, and performs other similar functions. The representative office shall not have the right to provide crypto-asset services.

4. The Central Bank may request termination of activities of the branch of the crypto-asset service provider, where the branch has not provided crypto-asset services during 12 months.

5. The procedure, conditions for termination, as well as temporary termination of activities of a branch or representative office by a crypto-asset service provider shall be prescribed by the Board of the Central Bank. The Central Bank need not permit to terminate activities or temporarily terminate activities of branches and representative offices, where it may endanger the interests of clients.

Article 26. Carrying out activities of a branch and representative office of a crypto-asset service provider outside the territory of the Republic of Armenia

1. In case of performing activities of a branch or representative office outside the territory of the Republic of Armenia, a crypto-asset service provider must obtain the prior consent of the Central Bank by submitting the following information and documents in the form and with the content

prescribed by the regulatory legal acts of the Board of the Central Bank:

(1) petition on obtaining the prior consent for carrying out activities of a branch or representative office outside the territory of the Republic of Armenia;

(2) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

2. The Board of the Central Bank shall prescribe, upon regulatory legal acts thereof, detailed requirements for the content of the documents and information provided for by part 1 of this Article.

3. The Central Bank shall take a decision on giving prior consent to activities of a branch or representative office of a crypto-asset service provider outside the territory of the Republic of Armenia, where the submitted documents and information comply with this Law, other laws and legal acts, and the grounds prescribed by this Law for rejecting the consent to activities of the branch or representative office of the crypto-asset service provider outside the territory of the Republic of Armenia do not exist.

4. The Central Bank shall give the consent thereof to activities of a branch or representative office of a crypto-asset service provider outside the territory of the Republic of Armenia or reject the petition of the crypto-asset service provider for carrying out activities of a branch or representative office outside the territory of the Republic of Armenia within two months after submission of the petition to the Central Bank by the crypto-asset provider.

5. The crypto-asset service provider shall — after the registration or licensing of a branch or representative office in another country as prescribed by the legislation of the respective country — be obliged to register it in the Central Bank within a period of 10 days, by submitting a document certifying the fact of registration or licensing.

6. The Central Bank may reject to grant consent for the activities of a branch or representative office of a crypto-asset service provider outside the territory of the Republic of Armenia, where:

(1) the submitted documents are not in conformity with this Law, regulatory legal acts adopted based thereon, false or deficient documents have been submitted, or non-reliable information has been reflected therein;

(2) in the reasonable opinion of the Central bank, the activities of the branch or representative office will result in the deterioration of the financial position of the crypto-asset service provider;

(3) in case of carrying out activities of a branch or representative office outside the territory of the Republic of Armenia, the competent body of the state of registration of the foreign company — in the reasonable opinion of the Central Bank — does not exercise control over activities of crypto-asset service providers registered in the given country in due manner and in compliance with international standards, or the given state (including the legislation of the state) does not enable the Central Bank to audit or duly exercise control over the branch or representative office;

(4) in case of carrying out activities of a branch or representative office outside the territory of the Republic of Armenia, the crypto-asset service provider fails to prove the necessity of carrying out activities of a branch or representative office in the given country or — in the reasonable opinion of the Central Bank — it is planned to put into circulation proceeds of crime or assist in the circulation thereof;

(5) the crypto-asset service provider has violated even one of the prudential standards during one year preceding the moment of submitting the documents for obtaining prior consent to carry out activities of a branch or representative office to the Central Bank.

Article 27. Authorisation for provision of crypto-asset services by investment companies, investment fund managers, regulated market operator and the Central Depository

1. Investment companies, investment fund managers, a regulated market operator and the Central Depository shall submit the following information and documents, in the form and manner prescribed by the regulatory legal acts of the Board of the Central Bank, to the Central Bank to obtain the authorisation for provision of the services provided for by part 1 of Article 18 of this Law:

(1) petitions for obtaining an authorisation for providing crypto-asset services;

(2) draft amendments to the statute approved by the competent management body, amendments made to the rules of activities and the business plan, which relate to the provision of crypto-asset services;

(3) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

2. The Board of the Central Bank shall prescribe, upon regulatory legal acts thereof, detailed requirements for the content of the documents and information provided for by part 1 of this Article.

3. Where the information provided for by part 1 of this Article has been submitted with deficiencies or incompletely, the Central Bank shall request to eliminate the deficiencies in the given information. Where amendments have been made to the information required by the petition or the documents submitted attached thereto during the examination of the petition, the applicant shall be obliged to submit the changed information as well before the Board of the Central Bank renders a decision on granting or rejecting the authorisation. In the cases prescribed by this part, the petition shall be deemed submitted from the moment the Central Bank receives the amended information and documents.

4. The Central Bank may also request additional information and documents necessary for the estimation of authenticity of the documents and information provided for by part 1 of this Article. In case of the request of the Central Bank prescribed by this part, the applicant shall be obliged to submit the additional or amended information to the Central Bank within the shortest period possible. In the case prescribed by this part, the one-month period for examination of the petition for obtaining authorisation, prescribed by part 6 of this Article, may be suspended in the manner and for the period prescribed by Article 92 of this Law.

5. The Board of the Central Bank shall take a decision on issuing authorisation for provision of crypto-asset services to the persons specified in this Article, if the submitted documents and information are in conformity with this Law, other laws and legal acts, and the grounds prescribed by this Law for rejecting the issuance of the authorisation for provision of crypto-asset services do not exist.

6. The Board of the Central Bank shall render a decision on issuing or rejecting authorisation for provision of crypto-asset services to the persons specified in part 1 of this Article within one month after the submission of the petition, except for the decisions on issuing authorisation for provision of crypto-asset services by a regulated market operator and the Central Depository, in case whereof the decision shall be rendered concurrently with the decision on registration or rejection of registration of the rules of provision of the relevant services.

7. The Board of the Central Bank shall be obliged to provide the decision on issuing authorisation prescribed by this Article to the persons specified in part 1 of this Article within five working days after taking the given decision.

8. The Board of the Central Bank may reject the petition for obtaining authorisation for provision of crypto-asset services by the persons provided for by part 1 of this Article, where:

(1) the submitted documents are not in conformity with this Law, regulatory legal acts adopted based thereon, false or deficient documents have been submitted, or non-reliable information has been reflected therein;

(2) in the reasonable opinion of the Board of the Central Bank, the provision of crypto-asset services will lead to deterioration of the financial position of the given person;

(3) amendments made to the business plan in relation to the provision of crypto-asset services do not comply with the requirements prescribed by this Law and regulatory legal acts adopted by the Board of the Central Bank based on this Law;

(4) in the reasonable opinion of the Board of the Central Bank, the business plan related to the provision of crypto-asset services is unrealistic or the person specified in part 1 of this Article may not properly provide crypto-asset services by acting in compliance with the given business plan.

9. The grounds prescribed by parts 2 and 3 of Article 24 of this Law for repealing or revoking the licence shall extend to the termination, by the Board of the Central Bank, of the authorisation for provision of crypto-asset services being provided by the persons specified in part 1 of this Article.

10. The conditions for terminating the authorisation for provision of crypto-asset services being provided by the persons specified in part 1 of this Article shall be prescribed by the Board of the Central Bank. The Board of the Central Bank need not permit termination of the authorisation provided for by this part, where the termination of the given authorisation may endanger the interests of clients.

CHAPTER 5

QUALIFYING HOLDING

Article 28. Prior consent to acquisition of qualifying holding

1. A person or a person affiliated thereto, that intends to acquire a qualifying holding in the authorised capital of a crypto-asset service provider or increase its holding so that its voting shareholding in the authorised capital of the crypto-asset service provider amounts to at least 20, 50 or 75 per cent, must obtain the prior consent of the Board of the Central Bank.

2. If the person acquires a qualifying holding in the authorised capital of the crypto-asset service provider or increases its voting shareholding, exceeding the limits specified in part 1 of this Article for the voting shareholding thereof, due to any other event or transaction (including transmission of holding by inheritance) of which the person was unaware or might not be aware of, the person shall be obliged to inform the Central Bank about the qualifying holding in the authorised capital of the crypto-asset service provider or its increase within 10 days upon learning about the acquisition or increase as prescribed by the regulatory legal acts of the Board of the Central Bank.

3. The person that intends to acquire a qualifying holding in the authorised capital of a crypto-asset service provider shall submit to the Central Bank an application for prior consent to acquire a qualifying holding. The list of information and documents to be included in and attached to the application for the prior consent to acquire qualifying holding, as well as the form, manner and terms for their submission shall be prescribed by the regulatory legal acts of the Board of the Central Bank.

4. In order to obtain a prior consent for the acquisition of a qualifying holding in the authorised

capital of a crypto-asset service provider, through the mediation of the crypto-asset service provider, the person shall also submit to the Central Bank a statement to the effect that no other person shall gain the status of person with indirect qualifying holding in the authorised capital of the crypto-asset service provider through its holding, otherwise that person shall be obliged to submit also documents and information on the persons acquiring indirect qualifying holding, prescribed by the regulatory legal acts of the Board of the Central Bank. In order to acquire the status of a person that holds an indirect qualifying holding, the prior consent of the Board of the Central Bank as prescribed by this Article shall be required.

5. In order to obtain a prior consent for the acquisition of a qualifying holding in the authorised capital of a crypto-asset service provider, through mediation of the crypto-asset service provider the person shall also submit to the Central Bank sufficient and comprehensive substantiations (documents, information, etc.) disclosing the lawfulness of the origin of funds used for the acquisition of the qualifying holding.

6. Where the information provided for by this Article has been submitted with deficiencies or incompletely, the Central Bank shall request to eliminate the deficiencies of the given information. Where amendments have been made to the information submitted upon the application and the documents submitted attached thereto during the examination of the application prescribed by this Article, the person intending to acquire qualifying holding in the authorised capital of a crypto-asset service provider shall be obliged to submit also the amended information before the decision on granting prior consent to the acquisition of qualifying holding or rejecting its granting is rendered by the Board of the Central Bank. In the cases prescribed by this part, the application shall be deemed submitted from the moment the Central Bank receives the amended information and documents.

7. The Central Bank may require additional information and documents to verify the reliability of the information and documents provided for by this Article In case of the request of the Central Bank prescribed by this part, the person shall be obliged to submit the additional information to the Central Bank within the shortest period possible. In the case prescribed by this part, the one-month period for examination of the application for obtaining prior consent to acquisition of qualifying holding, prescribed by part 10 of this Article, may be suspended in the manner and for the period prescribed by Article 92 of this Law.

8. The person having a qualifying holding in the authorised capital of a crypto-asset service provider shall be obliged to notify the Central Bank, as prescribed by the regulatory legal acts of the Board of the Central Bank, of the alienation of the stocks or shares acquired thereby where:

(1) the voting shareholding of the person in the authorised capital of the crypto-asset service provider become less than 10, 20, 50 or 75 per cent due to the alienation of stocks or shares;

(2) the voting shareholding of the person in the authorised capital of the crypto-asset service provider decreases by 10 and more per cent due to the alienation of stocks or shares.

9. The requirement for the notification prescribed by part 8 of this Article shall be effective also in the event that a person concludes such a transaction as a result of which the person ceases to control the crypto-asset service provider.

10. The Board of the Central Bank shall take a decision — within one month after receiving the documents and information required by this Law and regulatory legal acts prescribed by the Board of the Central Bank — on granting prior consent to the acquisition of a qualifying holding or rejecting its granting, except for the case provided for by part 8 of Article 20, when the decision of the Board of the Central Bank on granting prior consent to the acquisition of a qualifying holding or rejecting its granting shall be taken along with the decision on issuing licence, within two months.

11. Upon the decision to grant prior consent, provided for by part 10 of this Article, the Board of the Central Bank shall also define a time limit during which such consent shall be effective. That time limit may not exceed 6 months. The person shall be obliged to immediately notify the Central Bank of the acquisition of a qualifying holding in the authorised capital of a crypto-asset service provider, the increase of holding or the conclusion of a transaction on gaining control over the crypto-asset service provider within the specified time limit.

12. Natural persons that have a permanent residence or operate on the offshore territories, as well as legal persons, persons without the status of legal person or persons affiliated to the persons specified in this part, established or registered on those territories, may acquire a shareholding (regardless of the size of the shareholding) in the authorised capital of the crypto-asset service provider due to one or several transactions exclusively as prescribed by this Chapter, upon the prior consent of the Board of the Central Bank. The list of the offshore territories shall be defined by the Board of the Central Bank. Legal persons established by a shareholding of persons or persons affiliated thereto prescribed by this part may acquire a shareholding (regardless of the size of shareholding) in the authorised capital of a crypto-asset service provider exclusively as prescribed by this Article, upon the prior consent of the Board of the Central Bank.

Article 29. Rejection of prior consent to the acquisition of qualifying holding

1. The board of the Central Bank may reject to grant consent to the acquisition of a qualifying holding in the authorised capital of a crypto-asset service provider, where:

(1) the person that acquires a qualifying holding refuses to submit or fails to submit within the

prescribed time limit the documents and information prescribed by Article 28 of this Law;

(2) the documents and information submitted to the Central Bank do not meet the requirements prescribed by this Law and other regulatory legal acts, or they are false, misleading or incomplete;

(3) the person that acquires a qualifying holding has been convicted for an intentionally committed crime or has conviction that has not been expunged or cancelled;

(4) the person that acquires a qualifying holding may not substantiate the lawfulness of the means used for the acquisition of the shareholding;

(5) the person that acquires a qualifying holding has been declared as having no active legal capacity or having limited active legal capacity as prescribed by law;

(6) the person that acquires a qualifying holding has been deprived of the right to hold positions in financial, economic and legal fields by a criminal judgment having entered into legal force, in case it is explicitly specified in the criminal judgment;

(7) the person that acquires a qualifying holding has been declared bankrupt and has outstanding or unremitted liabilities;

(8) the given transaction is targeted, leads or may lead to the restriction of free competition in the provision of crypto-asset services;

(9) the actions of the person that acquires a qualifying holding or a person affiliated thereto, in the opinion reasoned as prescribed by the regulatory legal acts of the Board of the Central Bank, provide sufficient grounds to suspect that the actions of the given person as of one who has the voting right during the decision-making of the highest management body of the crypto-asset service provider may result in bankruptcy of the crypto-asset service provider or deterioration of its financial position, or undermine its reputation and business image;

(10) in the reasonable opinion of the Board of the Central Bank, the activity of the person that acquires a qualifying holding or the person affiliated thereto or the character of their relationship with the crypto-asset service provider may hinder the exercise of sufficient control by the Central Bank, or the possibility for the Central Bank to obtain information about the given person is restricted by the national legislation thereof, if the given person is a foreign person;

(11) 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.

2. The decision of the Board of the Central Bank to reject granting consent to the acquisition of a qualifying holding must be substantiated.

3. Within a period of seven days following the decision on rejection, the Board of the Central Bank shall be obliged to notify the person that has submitted an application for prior consent to acquire a qualifying holding or the representative thereof.

4. In case of receiving the notification specified in part 2 of Article 28 of this Law, as well as in the cases provided for by the same part, when it is the Central Bank that reveals the fact that a person has acquired a qualifying holding in the crypto-asset service provider, the Central Bank may recommend, and in the event of neglected recommendation, claim through judicial procedure that the person wherethrough and on whose behalf the qualifying holding is performed alienates or otherwise terminates the qualifying holding thereof in the crypto-asset service provider within a reasonable period of time.

5. In case any one of the grounds provided for by part 1 of this Article arises after the day of granting prior consent by the Board of the Central Bank until the actual acquisition of the qualifying holding, the Board of the Central Bank shall have the right to terminate the validity of the prior consent to acquisition of the qualifying holding.

Article 30. Termination of validity of the prior consent to acquisition of qualifying holding

1. Where unreliable, false or incomplete information is submitted to the Central Bank during licensing or acquisition of a qualifying holding in the authorised capital of a crypto-asset service provider, as well as where any one of the grounds prescribed by points 3, 5, 6, 7, 9 or 10 of part 1 of Article 29 of this Law has emerged after the acquisition of a qualifying holding in the authorised capital of a crypto-asset service provider by a person, as well as where such reasonable information is received during the exercise of control over a crypto-asset service provider according to which facts of deterioration of the financial position of persons affiliated to the crypto-asset service provider (and in case of a legal person affiliated to the crypto-asset service provider — also the participator thereof) have emerged which may affect the financial position of the crypto-asset service provider or endanger the interests of clients, the Board of the Central Bank shall have the right to recommend that the person having qualifying holding in the authorised capital of the crypto-asset service provider alienates — within the time limit prescribed by the Board of the Central Bank — the investments thereof in the authorised capital of the crypto-asset service provider or the right to claim it has against the crypto-asset service provider by virtue of which it may influence the activities of the crypto-asset service provider with the substantiation that it threatens the financial position of the crypto-asset service provider. 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 fulfil the recommendation of the Board of the Central Bank, provided for by part 1 of this Article, the person having qualifying holding in the authorised capital of the crypto-asset service provider shall not enjoy the right to vote, receive dividends and be included in the composition of the board without election or appoint a representative thereof in it 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 crypto-asset service provider, the Board of the Central Bank shall have the competence to reserve 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 prescribe criteria for appointment, a procedure for appointment and activities of the ad hoc management body.

3. Where the ground provided for by point 11 of part 1 of Article 29 of this Law arises after the acquisition of 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 of the crypto-asset service provider, as well as the person shall be deprived of the right to be included in the composition of the board without election or to appoint a representative thereof in it, 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 crypto-asset service provider, the Board of the Central Bank shall have the competence to reserve 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 prescribe criteria for appointment, and a procedure for appointment and activities of the ad hoc management body.

Article 31. Legal consequences of illegal acquisition of qualifying holding

1. Any transaction for acquisition of a qualifying holding in the crypto-asset service provider in violation of any requirements prescribed by this Law shall be null and void.

2. Part 1 of this Article shall extend to the crypto-asset service provider, the person maintaining the register of participators of the crypto-asset service provider, as well as any person who organises the exercise of the voting rights stipulated by the given stocks or shares.

CHAPTER 6

GENERAL REQUIREMENTS FOR CRYPTO-ASSET SERVICE PROVIDERS

Article 32. General requirements

1. While providing services, a the crypto-asset service provider shall be obliged to:

(1) act fairly and at a professional level;

(2) reveal to the client the risks related to crypto-asset transactions;

(3) maintain records on performed transactions, received and fulfilled orders.

2. A crypto-asset service provider must have a website where it shall publish the tariffs of the services provided, interim and annual financial statements, as well as other information prescribed by the regulatory legal acts of the Board of the Central Bank.

3. The information provided to the client by the crypto-asset service provider (including when the information is provided for marketing purposes or relates to real or alleged advantages) must be reliable, clear and non-misleading.

4. A crypto-asset service provider that provides the services prescribed by points 3, 7 or 8 of part 1 of Article 16 of this Law shall be obliged to provide electronically to the client upon the latter's request the summary white papers of crypto-assets or their relevant links on the website of the offeror (where available) via which it provides or is to provide the services.

5. The Board of the Central Bank may prescribe criteria for the premises of activities of the crypto-asset service provider and information security assurance.

6. In order to restrain riskiness of activities of crypto-asset service providers, the Board of the Central Bank may provide for restrictions on provision of separate types of crypto-asset services rendered by crypto-asset service providers, or prescribe a special procedure for their provision.

7. The Board of the Central Bank shall prescribe minimum requirements for the composition and procedure for publication of the information published by crypto-asset service providers.

8. The Board of the Central Bank shall define detailed rules and requirements for activities of crypto-asset service providers.

Article 33. Contract on crypto-asset service provision

1. Crypto-asset services may be provided only on the basis of a written contract concluded between the crypto-asset service provider and the client. Non-observance of the written form of the contract on provision of crypto-asset services shall result in its invalidity. Such contract shall be null and void.

2. The written form of the contract shall also be deemed observed when crypto-asset services are provided in accordance with the rules of public offer.

3. Part 1 of this Article shall not restrict oral conclusion of transactions aimed at the execution of the written contract on provision of crypto-asset services upon the agreement of the parties.

4. The client shall have the right to unilaterally waive the contract on crypto-asset service provision. Within three working days after the termination of the contract, the crypto-asset service provider shall be obliged to transfer to the client or representative thereof all crypto-assets and funds owned by the client, as prescribed by the contract. The right prescribed by this part may not be limited by the contract.

5. The Board of the Central Bank shall have the right to prescribe, by the regulatory legal acts thereof, mandatory requirements for contract on provision of crypto-asset services.

6. Parts 1-4 of this Article shall not extend to the provision of the services prescribed by points 3 and 10 of part 1 of Article 16 of this Law.

Article 34. Requirements for executive officers and employees

1. Executive officers of a crypto-asset service provider and of a foreign company shall be the chairperson and the members of the board of directors (supervisory board) (in case of forming a board), the head and the members of the executive body, the head and members of the internal audit, as well as other persons declared as executive officers upon regulatory legal acts prescribed by the Board of the Central Bank.

2. The list of executive officers of the crypto-asset service provider, subject to registration by the Central Bank, and the procedure for registration of executive officers, rejecting their registration and removing them from registration shall be prescribed by the regulatory legal acts of the Board of the Central Bank.

3. A person may perform the duties of an executive officer subject to registration by the Central Bank without registering with the Central Bank during the time period, in the cases and as prescribed by the regulatory legal acts of the Board of the Central Bank.

4. The following person may not be an executive officer of a crypto-asset service provider:

(1) he or she has been declared as having no active legal capacity or having limited active legal capacity as prescribed by law;

(2) he or she has a conviction for an intentionally committed crime that has not been expunge or cancelled as prescribed by law;

(3) her or she has been deprived of the right to hold positions in financial, economic and legal fields by a criminal judgment having entered into legal force, in case it is explicitly specified in the criminal judgment;

(4) he or she has been declared bankrupt or has outstanding or unremitted liabilities;

(5) or a person affiliated thereto has previously committed such an act (action or omission) which, in the opinion reasoned as prescribed by the regulatory legal acts of the Board of the Central Bank, provide a sufficient ground to suspect that the given person, as an executive officer of the crypto-asset service provider, may not properly manage the relevant field of activities of the crypto-asset service provider, or the actions thereof may result in bankruptcy of the crypto-asset service provider or deterioration of its financial position, or undermine its reputation and business image;

(6) he or she 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. Executive officers and employees of a crypto-asset service provider shall be obliged to act in good faith while performing their duties, based exclusively on the interests of the crypto-asset service provider and the clients thereof.

Article 35. Internal audit

1. A crypto-asset service provider shall be obliged to have an effective internal control system proportionate to the activity carried out thereby, which will include all the levels of management and activity of the crypto-asset service provider.

2. A crypto-asset service provider shall be obliged to have an independent internal audit division (hereinafter referred to as "internal audit") or to delegate the internal audit functions to another person under a contract. The head of internal audit shall be obliged to meet the requirements for executive officers of the crypto-asset service provider prescribed by this Law. A member of the management body of the crypto-asset service provider, another executive officer and employee, as well as a person affiliated to the crypto-asset service provider, executive officers or other employees thereof may not be a head or member of internal audit (hereinafter referred to as "internal auditor").

3. Internal auditors shall be appointed by the competent management body of the crypto-asset service provider. The competent management body shall be the general meeting of participators or shareholders of the crypto-asset service provider, and in case the company has formed a board of directors — the board of directors.

4. Internal auditor of the crypto-asset service provider shall be independent in exercising its

competencies and shall report to the competent management body of the crypto-asset service provider.

5. Pursuant to the regulation approved by the company, the internal audit shall:

(1) exercise control over current activity and risks of the crypto-asset service provider;

(2) check the compliance of activity of the crypto-asset service provider with the requirements prescribed by law, regulatory legal acts adopted based thereon, rules of activities of the company and other legal acts;

(3) provide opinions and submit recommendations on issues presented by the competent management body, and other issues.

6. The executive body of the crypto-asset service provider shall be obliged to ensure sufficient conditions for the effective implementation of the functions of internal audit.

7. The internal audit shall be obliged to notify the executive body, the board of directors of the crypto-asset service provider, the relevant regulated market operator and the Central Bank of any violation of the requirements prescribed by law, other legal acts, as well as of any substantial damage caused to the interests of clients by the crypto-asset service provider, within five working days after the disclosure thereof.

8. This Article shall extend to the crypto-asset service providers that provide the services prescribed by points 1, 2 or 10 of part 1 of Article 16 of this Law. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, that this Article shall extend to the crypto-asset service providers that provide one or more of the services prescribed by points 3-9 of part 1 of Article 16 of this Law, taking into account the type of the service provided by the crypto-asset service provider, the nature and riskiness of provision thereof.

Article 36. Internal rules of activities

1. The crypto-asset service provider shall be obliged to approve internal rules and rules of procedure that regulate the activities thereof (hereinafter also referred to as “rules of activities”).

2. The rules of activities shall include:

(1) the rules and procedures provided for by part 1 of Article 39 of this Law;

(2) detailed procedures and conditions for, as well as tariffs of crypto-asset service provision;

(3) rules of activities of the internal audit;

(4) business continuity plan;

(5) information security policy and procedures;

(6) description of measures for ensuring separated record-keeping of funds of clients;

(7) internal legal acts required by Article 23 of the Law "On combating money laundering and financing of terrorism";

(8) other procedures prescribed by the regulatory legal acts of the Board of the Central Bank.

3. The Board of the Central Bank may define, by the regulatory legal acts thereof, detailed requirements for the content of the rules of activities of the crypto-asset service provider.

4. The crypto-asset service provider shall be obliged to notify the Central Bank, in the manner and within the time limits prescribed by the regulatory legal acts of the Board of the Central Bank, of any amendments made to the rules of activities.

Article 37. Real beneficiaries

1. Crypto-asset service providers, foreign companies shall be obliged to submit information on persons that are real beneficiaries of the crypto-asset service provider, foreign company under the standards prescribed by the Law "On combating money laundering and financing of terrorism" to the Central Bank, in compliance with the requirements prescribed by this Law and the regulatory legal acts of the Board of the Central Bank.

Article 38. Requirements for record-keeping and protection of funds of clients

1. Funds of clients, provided for by this Article, shall be the crypto-assets or means ensuring their availability or funds belonging to the client, transferred to the possession or portfolio management of the crypto-asset service provider based on a written contract concluded between the client and the crypto-asset service provider, including the profit generated due to their management.

2. A crypto-asset service provider shall be obliged to undertake measures for ensuring the protection of funds and rights of clients, including in case of liquidation, bankruptcy or insolvency of the crypto-asset service provider.

3. Funds of a client of the crypto-asset service provider may not be levied against the debts of the crypto-asset service provider. In case of liquidation, bankruptcy or insolvency of the crypto-asset service provider, the funds of the client shall be separated from the property of the crypto-asset service provider and returned to the client upon the first request thereof.

4. A crypto-asset service provider may not use the funds of its client to own benefit.

5. A crypto-asset service provider shall be obliged to maintain separated record-keeping for each client, as well as for its own and its clients’ funds. A crypto-asset service provider that keeps the funds of clients at other persons must undertake all reasonable measures and steps for

ensuring the separated record-keeping for its own and its clients' funds by the given persons.

Article 39. Requirements on restriction of conflict of interests in relation to crypto-asset service provision

1. Crypto-asset service providers must define and apply an effective policy, internal rules and procedures in order to detect, prevent (in case of impossibility thereof — reduce) and reveal potential conflict of interests between the following persons:

(1) crypto-asset service provider and its participators, persons controlling it or its participators, management bodies, employees or clients;

(2) its clients.

2. Crypto-asset service providers must publish on their website the procedures provided for by part 1 of this Article and the policy thereon.

3. Crypto-asset service providers must review, at least once a year, their policy and procedures regarding conflict of interests and undertake all necessary measures for eliminating shortcomings.

4. The Board of the Central Bank may prescribed detailed requirements for the policy and procedures provided for by part 1 of this Article.

Article 40. Requirements for procedures for accepting, examining complaints received from clients, and decision-making

1. Crypto-asset service providers must have effective and transparent procedures for accepting complaints of clients, their prompt, fair and consistent examination and decision-making.

2. Submission, acceptance and examination of complaints of clients must be free-of-charge.

3. When examining complaints of clients, crypto-asset service providers must be fair and render a decision within a reasonable time limit.

4. After rendering the decision provided for by part 3 of this Article, crypto-asset service providers must immediately inform thereof the client having submitted the complaint.

5. Crypto-asset service providers shall register chronologically and maintain for at least seven years all complaints received from clients and the information on measures undertaken in that regard.

6. The Board of the Central Bank shall define, by the regulatory legal acts thereof, detailed requirements for the procedures for accepting, examining complaints of clients of crypto-asset service providers and decision-making.

Article 41. Reports of crypto-asset service providers

1. Crypto-asset service providers shall be obliged to draw up and submit to the Central Bank reports in the manner, form and within the time-limits prescribed by the regulatory legal acts of the Board of the Central Bank.

2. The Board of the Central Bank shall define the form of reports submitted to the Central Bank by crypto-asset service providers and the procedure for their submission. The Board of the Central Bank shall have the right to define separate forms and a separate procedure for submission of reports, depending on the type of services provided by the person.

3. Crypto-asset service providers shall be obliged to publish, at least on their website, the audit opinion, annual financial statements within a period of four months after the end of the fiscal year and their quarterly financial statements before the 15th day of the month following each quarter.

4. Statements subject to publication must be available at the place of location of the crypto-asset service provider, branches and representative offices thereof.

Article 42. Annual external audit of financial and economic activity

1. Financial and economic activity of crypto-asset service providers must be audited every year by a person conducting external audit. The Board of the Central Bank may define, by the regulatory legal acts thereof, criteria for the person conducting external audit of financial and economic activity of the crypto-asset service providers in case of meeting of which the person conducting external audit may provide audit service to the crypto-asset service providers.

2. The contract to be concluded with the person conducting external audit of the crypto-asset service provider shall, in addition to stipulating the obligation to draw up an audit opinion, also provide for drawing up an audit report (a letter to the management of the crypto-asset service provider).

3. The crypto-asset service provider shall also provide for — under the contract to be concluded with the person conducting external audit — submission of an opinion by the person conducting audit:

(1) on the compliance with the requirements of prudential standards of the crypto-asset service provider prescribed by this Law and the regulatory legal acts of the Board of the Central Bank;

(2) on the compliance with the requirements, prescribed by this Law and the regulatory legal acts of the Board of the Central Bank, for the internal audit activity and the internal control system of the crypto-asset service provider;

(3) on completeness and reliability of reports submitted to the Central Bank.

4. The opinion and report of the person conducting external audit shall be submitted by the crypto-asset service provider to the Central Bank before 1 May of the year following the given fiscal year.

5. Upon the request of the Central Bank the person conducting external audit shall be obliged to submit to the Central Bank the necessary documents on the audit of the crypto-asset service provider, even if they contain official information, commercial, banking or other secret. The person conducting audit shall bear liability as prescribed by law for the failure to fulfil the obligations prescribed by this part.

6. The Central Bank and the public administration body authorised by the Government may, by joint regulatory legal acts, define more detailed requirements on the audit and form and content of the audit opinion for the person conducting external audit

7. The Central Bank may request the person conducting external audit to provide additional explanations and clarifications on the opinion and report thereof.

8. If the audit opinion or report has been drawn up in violation of the requirements prescribed by this Law, other laws and legal acts, or the audit was not conducted as prescribed by laws and other legal acts, the Central Bank need not accept it and may request a new audit by another person conducting external audit at the expense of the crypto-asset service provider.

Article 43. Delegation of functions

1. A crypto-asset service provider may delegate, in full or partially, the performance of services provided thereby, as well as other (supporting) functions ensuring the normal course of its activity to other persons (hereinafter referred to as "counter-party").

2. The functions prescribed by part 1 of this Article (except for supporting functions) may be delegated only in the case when the efficiency of use of resources of the crypto-asset service provider will essentially increase, the costliness with respect to the given operation will reduce, as well as the quality of the provided service will increase as a result of delegation.

3. The functions prescribed by part 1 of this Article (except for supporting functions) which may be fulfilled exclusively in case of existence of a certain licence or other authorisation may be delegated only to a person holding the relevant licence or authorisation.

4. A crypto-asset service provider must obtain the prior consent of the Central Bank for delegating the functions prescribed by part 1 of this Article (except for supporting functions). The transaction for delegating the operations provided for by this part shall be null and void without the prior consent of the Central Bank. The procedure, conditions and time limits for granting the prior consent of the Central Bank, as well as the grounds for the refusal of the consent shall be prescribed by the regulatory legal acts of the Board of the Central Bank.

5. The delegation of functions must meet the following conditions:

(1) the crypto-asset service provider shall bear final liability for the proper and good faith fulfilment of the delegated functions;

(2) no such situation must be created in case of delegation when the crypto-asset service provider actually does not carry out the provision of crypto-asset services;

(3) the delegation shall not change the nature of relations between the crypto-asset service provider and the clients thereof, as well as shall not hinder the proper fulfilment of liabilities by the crypto-asset service provider against the clients thereof;

(4) the counter-party shall co-operate with the Central Bank, where necessary, and shall not hinder the performance of supervisory functions by the latter, including through conducting inspections therewith;

(5) the crypto-asset service provider shall have direct access to the entire information related to the functions being delegated;

(6) the crypto-asset service provider shall undertake all necessary measures for assessment of the effectiveness of performance of the delegated functions and proper management of existing and potential risks by the result of delegation.

6. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, an exception from the condition prescribed by point 4 of part 5 of this Article for delegating certain functions.

7. Delegation of functions by the crypto-asset service provider shall be carried out based on a written delegation contract which shall include at least:

(1) the specific scope of functions being delegated;

(2) liability of the counter-party for failure to perform or improper performance of delegated functions;

(3) the procedure and conditions for control by the crypto-asset service provider over the performance of the functions delegated to the counter-party;

(4) the procedure for amending and terminating the contract.

8. The Board of the Central Bank may define, by the regulatory legal acts thereof, additional requirements for the conditions being included in the delegation contract prescribed by part 7 of this Article.

9. The Board of the Central Bank may restrict the delegation of the functions provided for by

part 1 of this Article for a definite or indefinite period, where the delegation endangers or may endanger the interests of the crypto-asset service provider, clients of the crypto-asset service provider, or may hinder the exercise of effective supervision by the Central Bank.

10. The regulatory legal acts of the Central Bank may define the list of the functions which may not be delegated, as well as the cases not deemed delegation.

CHAPTER 7

PRUDENTIAL STANDARDS OF CRYPTO-ASSET SERVICE PROVIDERS

Article 44. Main prudential standards

1. The Board of the Central Bank may define the following main prudential standards for the activities of crypto-asset service providers:

(1) the minimum amount of total capital;

(2) total capital adequacy standards;

(3) liquidity standards;

(4) the maximum risk per borrower, large borrowers;

(5) the maximum risk per creditor, all creditors;

(6) the foreign currency disposition standards.

2. In order to restrain the riskiness of activities of crypto-asset service providers or for ensuring the stability of the market in crypto-assets, other prudential standards for crypto-asset service providers, including of temporary effect, may be defined by the regulatory legal acts prescribed by the Board of the Central Bank. Moreover, in cases prescribed by the regulatory legal acts prescribed by the Board of the Central Bank, separate prudential standards need not extend to newly-licensed crypto-asset service providers within a year upon licensing, or other prudential standards or their minimum amounts may be defined for them.

3. Thresholds for main prudential standards, calculation procedure and composition of elements involved in calculation and reduced from calculation shall be defined by the Board of the Central Bank.

4. The main prudential standards shall be binding and must be the same for the same type of crypto-asset services. In case of provision of more than one type of crypto-asset services, the threshold of the main prudential standard defined for each of them, which is stricter shall be applied to the crypto-asset service provider.

5. The Central Bank may request from a person providing the service of asset-referenced token issuance to conduct stress-testing with respect to all essential risks (credit, liquidity, operational, market, country risks, etc.), as prescribed by the Board of the Central Bank, in order to assess the impact of changes of the given risks on the activities of the person performing the service of issuance of asset-referenced token or the tokens issued thereby or on a specific portfolio of their reserve assets. The Board of the Central Bank may, based on the results of the stress-testing, define a higher threshold of total capital for the person providing the service of issuance of asset-referenced token — up to 30 per cent more than the minimum amount defined, including of temporary effect.

6. The requirement of the Central Bank to conduct the stress-testing prescribed by part 5 of this Article may arise in the case when, upon the assessment of the Central Bank, the risks are higher than those forecast, related to:

(1) assessment of the internal control system;

(2) quality and instability of reserve assets;

(3) the right of asset-referenced token acquirers to redemption;

(4) reserve assets investment policy;

(5) the markets where asset-referenced tokens are circulated;

(6) other factors defined by the Central Bank.

Article 45. Minimum amount of total capital

1. The Board of the Central Bank may review the minimum amounts of total capital of crypto-asset service provider, but not more often than once a year.

2. While reviewing the minimum amounts of the total capital of crypto-asset service provider, the Board of the Central Bank shall also define the time limit during which the crypto-asset service provider shall be obliged to replenish the minimum amount (amounts) of the total capital reviewed; moreover, the given time limit may not be less than one year.

3. The Board of the Central Bank may define another minimum amount of total capital of a crypto-asset service provider being newly established. The Board of the Central Bank may review the minimum amount of total capital of a crypto-asset service provider being newly established, but not more often than once a year. The standard for the minimum amount of total capital for a crypto-asset service provider being newly established to be defined by the Board of the Central Bank shall enter into force from the moment of adoption.

Article 46. Legal entry into force of prudential standards

1. Where the Board of the Central Bank makes the regime of the main prudential standards stricter, the main prudential standards shall enter into force after six months from the moment of adoption, unless otherwise prescribed by law.

2. Where the Board of the Central Bank mitigates the regime of the main prudential standards, those standards shall enter info force from the moment of being defined by the Central Bank.

CHAPTER 8

AUTHORISATION FOR RE-ORGANISATION AND VOLUNTARY LIQUIDATION OF CRYPTO-ASSET SERVICE PROVIDERS

Article 47. Re-organisation of the crypto-asset service provider

1. A crypto-asset service provider may be re-organised exclusively through merger with another crypto-asset service provider or re-structuring.

2. The reorganisation of a crypto-asset service provider shall be carried out as prescribed by the Civil Code of the Republic of Armenia, this Law and other laws.

3. A crypto-asset service provider may merge only with another crypto-asset service provider.

Article 48. Procedure for merger of the crypto-asset service provider

1. In case of merger of a crypto-asset service provider or of several crypto-asset service providers with another crypto-asset service provider, the merging crypto-asset service providers shall conclude a merger agreement, upon obtaining the prior consent of the Board of the Central Bank.

2. In order to obtain consent for concluding a merger agreement, the crypto-asset service provider (providers) shall, in the manner, form and within the time-limits prescribed by the Board of the Central Bank, submit to the Central Bank:

(1) an application for obtaining prior consent for merger;

(2) a decision on the merger of the competent management bodies of re-organising crypto-asset service providers;

(3) essential conditions of the transaction;

(4) business plan for the upcoming three years of the company surviving as a result of the merger (in case of provision of the services prescribed by points 1, 2 and 10 of part 1 of Article 16 of this Law);

(5) information on persons that are to acquire qualifying holding in the surviving company. Moreover, along with the application for obtaining prior consent for merger, the surviving company must submit the application for obtaining prior consent to the acquisition of a qualifying holding in its authorised capital of the person acquiring qualifying holding and of the person affiliated thereto, as prescribed by this Law and the regulatory legal acts of the Board of the Central Bank, as well as other required documents;

(6) other documents prescribed by the regulatory legal acts of the Board of the Central Bank.

3. The Board of the Central Bank shall take a decision — within one month after receiving the necessary documents and information specified in part 2 of this Article — on giving or refusing to give the consent provided for by part 1 of this Article.

4. The Board of the Central Bank may refuse to give consent to the conclusion of the merger agreement, where:

(1) the merger of the crypto-asset service provider (providers) or the submitted documents contradict laws or other legal acts;

(2) the required documents have not been submitted in due manner, the submitted documents or information are deficient, unreliable or false;

(3) in the reasonable opinion of the Board of the Central Bank, the financial position of the crypto-asset service provider surviving as a result of the merger will be significantly threatened, or the person will violate the requirements prescribed by this Law or the regulatory legal acts of the Board of the Central Bank;

(4) in the reasonable opinion of the Board of the Central Bank, as a result of the merger, the crypto-asset service provider or the person with a qualifying holding in the authorised capital of the given crypto-asset service provider or persons affiliated thereto will gain a dominant or monopolistic position on the market in crypto-assets;

(5) in the reasonable opinion of the Board of the Central Bank, as a result of the merger, the interests of clients of any one of the parties will be endangered.

5. Within one month upon obtaining the prior consent of the Board of the Central Bank on merger, the surviving crypto-asset service provider shall submit to the Board of the Central Bank an application for renewal of the licence.

Article 49. Merger notification

1. The surviving crypto-asset service provider shall be obliged to publish — during the working day following the reformulation of the licence of the crypto-asset service provider by the Board of the Central Bank — on its website an announcement thereon as prescribed by the Board of the Central Bank.

Article 50. Liquidation of a crypto-asset service provider upon decision of the general meeting of participators (voluntary liquidation)

1. The general meeting of participators of the crypto-asset service provider shall have the right to take a decision on the liquidation of the crypto-asset service provider, if the crypto-asset service provider has fulfilled all obligations arising from the contracts on provision of crypto-asset services and has sufficient funds to meet the claims of all other creditors.

2. In case of liquidation of the crypto-asset service provider by the decision of the general meeting, the general meeting shall take a decision to apply to the Central Bank for prior consent. Based on that decision, the crypto-asset service provider shall submit to the Central Bank an application for obtaining prior consent to liquidation, by attaching thereto the documents and information justifying the liquidation, the list of which shall be defined by the regulatory legal acts of the Board of the Central Bank.

3. The Board of the Central Bank shall, within a period of 90 days, examine the application for obtaining prior consent to liquidation of the crypto-asset service provider and take a decision to grant or reject the application.

4. The Board of the Central Bank may reject the application for obtaining prior consent to liquidation of the crypto-asset service provider, if in the reasonable opinion of the Board of the Central Bank the liquidation may threaten the rights and lawful interests of the clients of the crypto-asset service provider or the crypto-asset service provider will not be able to duly fulfil its obligations.

5. In case the Board of the Central Bank grants prior consent to liquidation to the crypto-asset service provider, the crypto-asset service provider shall take measures to duly fulfil all its obligations arising from contracts on provision of crypto-asset services concluded with its clients.

6. Only after duly fulfilling all of its obligations arising from contracts on provision of crypto-asset services concluded with clients, the general meeting may take a decision on liquidation.

7. After taking a decision on liquidation, the crypto-asset service provider shall — within a period of three days — submit to the Central Bank an application for authorisation for liquidation, by attaching thereto the documents and information justifying the liquidation, the list of which shall be defined by the regulatory legal acts prescribed by the Board of the Central Bank.

8. The Board of the Central Bank shall examine, within a period of 30 days, the application of the crypto-asset service provider for authorisation for liquidation and take a decision to grant or reject the application.

9. The Board of the Central Bank shall have the right to reject the application for authorisation for liquidation, if obligations arising from the provision of crypto-asset services exist, or the crypto-asset service provider will not be able to meet the claims of its other creditors.

10. In case of granting an authorisation for liquidation, the Board of the Central Bank shall also take a decision on fully repealing the licence for provision of crypto-asset services of the crypto-asset service provider.

CHAPTER 9

SPECIAL REQUIREMENTS FOR CRYPTO-ASSET SERVICE PROVIDERS

Article 51. Requirements for the trading platform for crypto-assets and operation of the platform

1. The platform operator shall define, apply and publish rules of activities which shall include at least:

(1) the procedure and conditions for admission to trading of crypto-assets on the trading platform, suspension and termination of the admission;

(2) types of crypto-assets which may be admitted to trading on the trading platform;

(3) conditions for maintaining the admission to trading of crypto-assets on the trading platform, including minimum criteria for liquidity and requirements for regularly disclosing information;

(4) the procedure and conditions for granting admission to clients to participate in trading on the trading platform, suspending and terminating the admission, as well as concluding transactions on the trading platform for crypto-asset;

(5) tariffs, including for granting admission to clients to participate in trading on the trading platform, as well as admission to trading of crypto-assets on the trading platforms and maintaining the admission;

(6) the procedure and conditions for ensuring the final settlement of transactions concluded on the trading platform.

2. The rules of activities, prescribed by part 1 of this Article, must be non-discriminatory,

including the same requirements must be prescribed for the same type of clients.

3. Before admissions to trading of crypto-assets on the trading platform, the platform operator shall ascertain that the crypto-assets comply with the rules activities of the trading platform. When assessing the compliance of the crypto-assets with the rules of the trading platform, the platform operator shall also ascertain that the used technical systems are reliable, and conduct of illegal, fraudulent actions is precluded to the extent possible, taking into account also the experience, history of activity and reputation of the issuer of crypto-assets.

4. The rules of the trading platform for crypto-asset must prohibit admission to trading of such crypto-assets on the trading platform which, in their nature, ensure the anonymity of the party to the transaction, except where the platform operator may reveal the acquirers of those crypto-assets and the history of their transactions.

5. The platform operator shall be prohibited to carry out purchase and sale of crypto-assets admitted to trading on the platform on own behalf, including in case of having the authorisation to provide services for purchase and sale of crypto-assets on own behalf as prescribed by this Law.

6. The platform operator must have effective systems and procedures which ensure that its trading system:

(1) is technically stable;

(2) has necessary capacities to meet large volumes of orders and messages of clients;

(3) ensures, in emergency cases, the normal operation of the trading platform. Moreover, an emergency case shall be the situation when a massive shock, crisis occurs in the market in crypto-assets, or an obvious threat thereto emerges, manifested in:

a. the overall fluctuations of usual prices of crypto-assets and abrupt and considerable fluctuations of the market, which endanger the smooth operation of the market, or an obvious threat thereto; or

b. a significant failure of the safe operation of crypto-asset transactions or an obvious threat thereto;

(4) rejects orders which exceed the volume and price thresholds determined in advance by the platform operator or are obviously wrong;

(5) has rules of continuity of activities for ensuring the continuity of provision of services in case of failures of the trading system;

(6) prevents or detects market abuses.

7. The platform operator shall be obliged to inform the Central Bank as prescribed by the Board of the Central Bank about market abuses done on its trading platform or any reasonable suspicion it has of market abuses.

8. The platform operator shall be obliged to reveal, during the entire course of trade, the purchase and sale prices of crypto-assets quoted on its trading platform, including the quantity and total volume of purchase and sale orders corresponding to the given quotations.

9. The platform operator shall be obliged to disclose the price, volume and time, as close to real-time as possible, of the crypto-asset transactions concluded on its trading platform.

10. The information prescribed by parts 8 and 9 of this Article shall be disclosed to the public in a non-discriminatory manner; moreover, a fee may be charged for disclosing the information. Where pursuant to parts 8 and 9 of this Article, 15 minutes have passed after the moment of disclosure of the information, no fee may be charged for the disclosure of that information, including in case of publication in the form subject to processing by the automatic system. The platform operator shall ensure the availability of the information prescribed by parts 8 and 9 of this Article on its website for at least two years.

11. The platform operator shall be obliged to ensure the final settlement of the transaction in the distributed ledger within 24 hours after the conclusion of the transaction, and in the case of final settlement outside the distributed ledger — before the end of the day of conclusion of the transaction.

12. The platform operator shall be obliged to ensure that the tariffs of services provided by its trading platform are transparent, fair and non-discriminatory and do not create stimuli for entering, modifying, cancelling such orders or concluding such transactions the aim whereof is to disrupt the normal course of crypto-asset trading or do market abuses.

13. The platform operator shall be obliged to maintain the information on the purchase and sale of crypto-assets quoted on the trading platform thereof for at least seven years. The information on orders must always be accessible to the Central Bank and provide an opportunity to decode the details of each order for carrying out proper supervision over the activity of the trading platform. The information on orders, provided for by this part, must also contain information on transactions carried out based on the order. The detailed requirements for the form and content of the information on orders, provided for by this part, shall be prescribed by the regulatory legal acts of the Board of the Central Bank.

14. Requirements for the procedure for publication of the information prescribed by parts 1, 8 and 9 of this Article, including for the form and content of the information being published, as well as detailed requirements for the systems and procedures provided for by part 6 of this Article may be prescribed by the regulatory legal acts of the Board of the Central Bank.

Article 52. Requirements for custody of crypto-assets

1. The custodian of crypto-assets shall carry out the custody of the crypto-assets by opening and maintaining separate crypto-asset accounts for clients.

2. The crypto-asset account shall be the integrity of the electronic records maintained by the custodian of crypto-assets with regard to the account holder, crypto-assets registered in the account of the holder, rights to those crypto-assets and restrictions over those rights, time limits for accepting crypto-assets for record-keeping, and other information prescribed by the regulatory legal acts of the Board of the Central Bank.

3. The custodian of crypto-assets shall be obliged to undertake necessary measures for registering the transfers on the crypto-asset accounts based on orders of clients as fast as possible. The grounds for any change in the crypto-assets belonging to clients or the rights related thereto shall also be registered in the crypto-asset accounts. The custodian of crypto-assets shall be obliged to immediately register the changes in the rights prescribed by part 7 of this Article and newly-arisen rights on the crypto-asset account of the client.

4. The custodian of crypto-assets shall be obliged to keep the crypto-assets belonging thereto and to the clients thereof on different accounts (addresses) opened in the distributed ledger or on different accounts opened with another custodian of crypto-assets. The custodian of crypto-assets shall be obliged to guarantee the right of ownership of the client over the crypto-assets belonging to the client, kept on the crypto-asset accounts opened and maintained thereby.

5. The custodian of crypto-assets must have procedures for carrying out custody of crypto-assets, which shall be aimed at reducing risks of loss of crypto-assets belonging to clients or means ensuring their availability or right over them due to deception, cyber-attacks, negligence or issues related to its internal record-keeping or information and technology systems.

6. The brief version of the procedures prescribed by part 5 of this Article shall be provided electronically to the client upon the latter's request.

7. The custodian of crypto-assets must, where possible, ensure the exercise by clients of the rights stipulated by crypto-assets belonging to the clients. Where the rights arising from or stipulated by the crypto-assets belonging to the clients are changed or new rights arise or new crypto-assets are created due to any event, including changes in the DLT that is at the basis of the crypto-assets, those new rights or crypto-assets shall belong to the clients, unless otherwise defined by the contract on custody of crypto-assets.

8. The custodian of crypto-assets shall be obliged to provide electronically to the client at any moment upon the client's request, but not less than once a quarter, a statement on the accounts of the crypto-assets belonging to the client, balances of the crypto-assets available on the accounts at the beginning and end of the time period, and transfers or transactions made with crypto-assets, as well as on other circumstances related to custody.

9. The custodian of crypto-assets shall be obliged to provide to the client, as fast as possible, any information related to the operations with the crypto-assets belonging to the client which require any action by the client — approval or response.

10. The Board of the Central Bank may define, by the regulatory legal acts thereof, detailed requirements for the form and content of the statement prescribed by part 8 of this Article.

11. The custodian of crypto-assets shall be obliged to undertake all necessary measures with a view to returning the crypto-assets belonging to clients or the means ensuring their availability to the clients as fast as possible, upon request of the client or in the cases provided for by this Law and the regulatory legal acts adopted based thereon.

12. The custodian of crypto-assets shall bear liability before the clients in case of loss of the crypto-assets belonging to the clients or the means ensuring their availability due to factors related thereto (including failure of the information system or internal control systems), in the amount of the market value as of the moment of loss of the crypto-assets or the means ensuring their availability. Within the meaning of this part, the factors which are independent of the provision of the crypto-asset custody service and the custodian of crypto-assets does not have any control over them, including the factors related to the DLT at the basis of the crypto-assets or to the issuer, shall not be deemed factors related to the custodian of crypto-assets.

13. Where the custodian of crypto-assets uses the services of another custodian of crypto-assets for keeping the crypto-assets belonging to the clients, the custodian of crypto-assets shall be obliged to inform its clients thereof in advance.

14. The Board of the Central Bank shall have the right to define additional requirements for custodians of crypto-assets for opening and maintaining crypto-asset accounts, maintaining means providing availability to crypto-assets by the regulatory legal acts thereof.

Article 53. Requirements for carrying out purchase and sale of crypto-assets on own behalf

1. A person carrying out purchase and sale of crypto-assets on own behalf shall be obliged to define non-discriminatory criteria regarding clients, as well as a non-discriminatory procedure and conditions for concluding transactions with the clients.

2. A person carrying out purchase and sale of crypto-assets on own behalf shall be obliged to publish the prices of the crypto-assets in case of carrying out purchase and sale of crypto-assets,

and in case of exchange of crypto-assets for another crypto-asset — the exchange rates of other crypto-assets or the methodology for determining the price and exchange rates of crypto-assets, as well as the maximum volumes of purchase and sale or exchange, where the given person is an establisher of any market in crypto-assets on the trading platform (ensures the liquidity of any crypto-asset).

3. A person carrying out purchase and sale of crypto-assets on own behalf shall be obliged to fulfil the order of the client at the price or exchange rate having been published at the moment of confirmation of the order of the client by the person carrying out purchase and sale of crypto-assets on own behalf. A person carrying out purchase and sale of crypto-assets on own behalf shall be obliged to inform the client of the conditions in case of which the order of the client is deemed confirmed.

Article 54. Requirements for carrying out purchase and sale of crypto-assets on behalf of clients

1. A person carrying out purchase and sale of crypto-assets on behalf of clients shall be obliged to fulfil the orders of the clients under the best conditions possible, taking into account the volume, price or exchange rate of the transaction, the fulfilment costs, time limit, the possibility to carry out final settlement of the transaction, conditions of custody of crypto-assets, and the peculiarities arising from other essential conditions of the order.

2. The requirement provided for by part 1 of this Article shall not apply when the transaction is carried out under the conditions specified by the client.

3. In order to meet the requirement provided for by part 1 of this Article, the person carrying out purchase and sale of crypto-assets on behalf of clients must have procedures for fulfilment of orders, which provide for a requirement for the fulfilment of orders of clients as fast as possible and fairly and prohibit the use of the information on the client by employees of the person carrying out purchase and sale of crypto-assets for other purposes not related to the fulfilment of the orders of the client.

4. The person carrying out purchase and sale of crypto-assets on behalf of clients shall provide clients with information on the procedures for fulfilment of orders, prescribed by this Article, and essential amendments and supplements made thereto, which shall define comprehensibly and in detail the course and conditions of fulfilment of the orders. The person carrying out purchase and sale of crypto-assets on behalf of the client shall be obliged to obtain the consent of the client on the procedures for fulfilment of orders.

5. The person carrying out purchase and sale of crypto-assets on behalf of clients shall be obliged to submit, upon the request of the client or the Central Bank, justifications to the effect that the orders of the client have been fulfilled in compliance with the procedures for fulfilment of orders.

6. The person carrying out purchase and sale of crypto-assets on behalf of the client shall be obliged to assess — in the manner and at the periodicity prescribed by the regulatory legal acts of the Board of the Central Bank — the effectiveness of the procedures for fulfilment of orders and make relevant amendments upon necessity.

Article 55. Requirements for reception and transmission of orders for crypto-asset transactions

1. A person providing services of reception and transmission of orders for crypto-asset transactions shall be obliged to define such internal processes and procedures which ensure the fast and accurate transmission of orders of clients to the trading platform for crypto-assets or other persons providing crypto-asset services.

2. Persons providing services of reception and transmission of orders for crypto-asset transactions shall be prohibited to receive a monetary or non-monetary benefit or remuneration against transmission of orders of the clients from any operator of the trading platform for crypto-assets or a crypto-asset service provider.

3. Persons providing services of reception and transmission of orders for crypto-asset transactions and their employees shall be prohibited to use the information related to the orders of clients for purposes not related to the orders of the clients.

Article 56. Requirements for placement of crypto-assets

1. The person making placement shall be obliged to provide, before concluding the contract on provision of services, the following information to the issuer of crypto-assets, person seeking admission to trading on the trading platform:

(1) the type of placement of crypto-assets, including the minimum size of the guaranteed volume of placement in case of guaranteed placement;

(2) tariffs of the placement service;

(3) the potential price of placement of crypto-assets, and in case of exchange — the rate of exchange for other crypto-assets, special conditions (where available) and time limits.

2. The person making placement shall be obliged to adopt and apply effective procedures for

detecting, preventing (in case of impossibility thereof — reducing) and revealing potential conflicts of interests in the following cases:

(1) the person making placement places the crypto-assets among other clients thereof;

(2) the proposed price of placement or exchange rate has been overestimated or underestimated;

(3) the person making placement has received other monetary or non-monetary benefits from the issuer of crypto-assets in addition to the service fee.

Article 57. Requirements for crypto-asset portfolio management and provision of advice on crypto-assets

1. A person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall be obliged to assess the suitability of the crypto-asset services or of crypto-assets to the client, taking into account the client's knowledge and experience related to crypto-assets or investments in crypto-assets, investment purposes, including the wish to assume risks, as well as the financial situation thereof, including the capability to incur risks. The Board of the Central Bank may define detailed requirements by the regulatory legal acts thereof for the procedure for carrying out the assessment provided for by this part.

2. A person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall request necessary information from the client, which would enable the crypto-asset service provider to offer such crypto-assets or crypto-asset services to the client which suit the client the best, taking into account the criteria provided for by part 1 of this Article. A person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall be obliged to define internal rules and procedures for assessing the suitability of crypto-assets or crypto-asset services to clients. The person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall be obliged to undertake reasonable steps with a view to ensuring the reliability of the information collected from clients. The Board of the Central Bank may define detailed requirements for the content of the information prescribed by this part by the regulatory legal acts thereof.

3. Where the client fails to provide the information required under part 2 of this Article by the crypto-asset service provider, or where the crypto-asset service provider considers that the crypto-asset service or the crypto-assets do not suit the client, the crypto-asset service provider shall be obliged to refuse to provide services to the given client.

4. After assessing the suitability of the client to the crypto-asset services or the crypto-assets for the first time, the crypto-asset service provider shall be obliged to review regularly, at least biennially, the assessment conducted pursuant to part 1 of this Article, where the crypto-asset service provider continues to provide services of crypto-asset portfolio management or provision of advice on crypto-assets to the given client.

5. A person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall be obliged to render decisions within the scope of provision of crypto-asset services based on the best interests of the client.

6. To render the decision in the best interests of the client, indicated in part 5 of this Article, the crypto-asset service provider shall:

(1) be obliged to assess the sufficient and various scope of the crypto-assets existing on the market, which ensures the proper achievement of investment purposes of the client, and not limit itself with crypto-assets offered within the scope of crypto-asset service provision thereby or with the crypto-assets issued by a crypto-asset service provider or person affiliated thereto or the person with whom the crypto-asset service provider has such relations which may hinder the independent decision-making by the crypto-asset service provider;

(2) be obliged to reject any monetary or non-monetary compensation or benefit from other persons, including the issuer, the person seeking admission to trading on the trading platform, for services of crypto-asset portfolio management or provision of advice on crypto-assets to the clients.

7. A person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall provide clients with information on all commissions or other fees, including the manners and conditions of their payment, as well as the price of crypto-assets offered within the scope of the service of advice, where applicable.

8. Where a person providing services of crypto-asset portfolio management or provision of advice on crypto-assets fails to clearly define the fees specified in part 7 of this Article, their nature and size, the person shall be obliged to reveal, comprehensibly and accurately, the methodology of their calculation before the provision of the crypto-asset services.

9. A person providing services of crypto-asset portfolio management or provision of advice on crypto-assets shall be obliged to inform the clients thereof at least that:

(1) the value of crypto-assets may fluctuate;

(2) the crypto-assets may partially or fully lose their value;

(3) the compensation is not guaranteed by the Deposit Guarantee Fund of the Republic of Armenia in case of asset-referenced tokens issued by the banks of the Republic of Armenia.

10. When providing advice to the clients, a person providing services of provision of advice on

crypto-assets shall submit a report, attached to the advice, on the assessment of suitability of the crypto-asset services or crypto-assets to the client, which shall contain at least the results of the assessment provided for by part 1 of this Article, as well as shall clearly present how the provided advice suits the wishes, purposes of the client and other peculiarities. The Board of the Central Bank may define, by the regulatory legal acts thereof, detailed requirements for the periodicity, form and content of the advice provided to the client by the crypto-asset service provider and the report submitted attached thereto.

11. A person providing crypto-asset portfolio management services shall be obliged to provide the clients thereof with regular reports on the provided services. The reports provided for by this part must contain at least the information on transactions concluded and actions performed within the scope of the crypto-asset portfolio management in the reporting period, the crypto-asset portfolio performance (profitability of the portfolio in the reporting period), the results of the assessment provided for by part 1 of this Article, the suitability of the actions performed within the scope of the provided service to the wishes, purposes of the client and other peculiarities. The Board of the Central Bank may define, by the regulatory legal acts thereof, detailed requirements for the periodicity, form and content of the regular reports provided for by this Article.

12. The reports provided for by part 11 of this Article shall be provided to the client at least at least quarterly, except for the cases when the client has access to the on-line system where the assessments of the investment portfolio of the client and the information on the assessment, provided for by part 1 of this Article, are always available and updated, and the crypto-asset service provider may prove that the client has entered the given on-line system at least once during the relevant quarter.

Article 58. Requirements for transfer of crypto-assets

1. A person providing the service of transfer of crypto-assets shall be obliged to have necessary systems and procedures for ensuring the safe, fast and effective transfer of the crypto-assets of the clients.

2. A person providing the service of transfer of crypto-assets shall be obliged to provide clients, before the transfer of the crypto-assets of the clients, with information on the manner of transfer of the crypto-assets, as well as other information provided for by the regulatory legal acts prescribed by the Board of the Central Bank.

CHAPTER 10

ISSUANCE AND CIRCULATION OF ASSET-REFERENCED TOKENS

Article 59. Issuers of asset-referenced tokens and general requirements for issuance

1. Asset-referenced tokens (hereinafter also referred to in this Chapter as "token") may be issued only by:

(1) persons having obtained a licence for provision of the service of issuance of asset-referenced tokens, as prescribed by Section 3 of this Law;

(2) banks, only as an issuer of electronic money token;

(3) payment and settlements organisations having the right to issue electronic money as prescribed by the Law "On payment and settlement organisations" and regulatory legal acts adopted based thereon, only as an issuer of electronic money token.

2. The provisions provided for by Articles 5, 6, 10 and 15 of this Law for crypto-assets and their issuers shall not extend to tokens and their issuers.

3. Only an issuer may carry out a public offering of token or seek admission to trading on the trading platform.

4. The issuer may carry out a public offering of tokens in the territory of the Republic of Armenia or seek admission to trading on the trading platform, where a white paper has been published as prescribed by this Law.

5. This Section shall extend to the electronic money token, taking into account part 2 of Article 68 of this Law.

Article 60. Information provided to acquirers of asset-referenced tokens

1. The issuer shall be obliged to disclose — in a visible part on the website thereof — the number of tokens issued thereby and in circulation and the value and structure of reserve assets. The information provided for by this part shall be updated at least monthly.

2. The issuer shall be obliged to disclose — in a visible part on the website thereof — the brief summary of the audit opinion on the reserve assets, prescribed by Article 61 of this Law, as well as the full version of the audit opinion (except for the cases prescribed by the regulatory legal acts of the Board of the Central Bank) immediately after it becomes available.

3. The issuer shall be obliged to disclose — in a visible part on the website thereof — within the shortest period possible, clearly, accurately and transparently, any fact or circumstance which has

or might have an essential impact on the price of the token or the value or the structure of the reserve assets, except for the cases prescribed by Article 71 of this Law.

Article 61. Requirement for forming reserve assets

1. The issuer shall be obliged to form reserve assets with a view to keeping the value of issued tokens stable against referenced assets.
2. Reserve assets must be formed and managed in such a way that they reduce the risks related to the asset or assets (to which the tokens are referenced), as well as the liquidity risks related to the redemption of tokens.
3. The issuer of two and more types of tokens shall be obliged to form and maintain separate reserve assets for each type of token.
4. In case of issuance or redemption of tokens, reserve assets shall be proportionately increased or reduced, respectively.
5. The total market value of reserve assets must be not less than the total value of the issued but not redeemed tokens. The procedure for calculating the total market value of reserve assets shall be prescribed by the regulatory legal act of the Board of the Central Bank.
6. The issuer shall be obliged to define and apply a policy for keeping the value of tokens stable, or the internal rules, which must include at least the following:
(1) the asset or the structure of the pool of assets to which the tokens have been referenced;
(2) the structure of reserve assets, including the types of assets and their weights;
(3) detailed description of risks, including credit, market, liquidity risks of reserve assets;
(4) the procedure for issuance and repurchase or redemption of tokens and increase and reduction of their respective reserve assets;
(5) reserve assets investment policy;
(6) description of the process of acquisition of issued but not redeemed tokens and their redemption at the expense of reserve assets.
7. The compliance of the issuer's reserve assets with the requirements prescribed by this Law and the regulatory legal acts of the Board of the Central Bank shall be assessed by the person conducting audit once a year, starting from the moment of publication of the white paper of the tokens. The Board of the Central Bank may define, by the regulatory legal acts thereof, criteria for the person conducting audit of reserve assets, in case of compliance with which the person conducting audit may provide audit service to the issuer.
8. The issuer shall be obliged to submit the audit opinion prescribed by part 7 of this Article to the Central Bank immediately after receiving it.

Article 62. Investment of reserve assets

1. The issuer shall be obliged to invest reserve assets only in assets with high liquidity and reliability, including:
(1) in state securities of the Republic of Armenia;
(2) in banks of the Republic of Armenia as a bank deposit or bank account;
(3) in other assets prescribed by the regulatory legal acts of the Board of the Central Bank.
2. The list of additional assets with high liquidity and reliability, prescribed by part 1 of this Article, as well as the minimum criteria and conditions for the assets prescribed by part 1 of this Article or their issuers or banks, the minimum or maximum allowed investment thresholds shall be prescribed by the regulatory legal acts of the Board of the Central Bank.
3. The benefit (profit) or damage (loss) arisen from the investment of reserve assets shall be borne by the issuer.

Article 63. Safekeeping of reserve assets

1. Reserve assets shall be kept, based on a written contract, no later than within five days from the issuance of tokens, with the following persons not affiliated to the issuer:
(1) in case of securities — with persons providing the service of securities custody as prescribed by the Law "On securities market";
(2) in case of funds — in banks;
(3) in case of other assets prescribed by the regulatory legal acts of the Board of the Central Bank — with persons having the right to keep those assets as prescribed by law.
2. The person specified in point 3 of part 1 of this Article shall verify for the custody of other assets the right of ownership of the issuer to them and maintain records on the assets the right of ownership of the issuer to which has been confirmed. The right of ownership, provided for by this part, shall be verified based on the documents and information provided by the issuer and, where possible, other evidence, including that received from other persons.
3. The issuer shall be obliged to define and apply a policy and procedures for safekeeping of reserve assets, which shall:
(1) preclude the pledging or use of the reserve assets as another measure of security of other liabilities;
(2) ensure that the reserve assets are safekept in compliance with the requirements prescribed

by this Article and the regulatory legal acts of the Board of the Central Bank;

(3) ensure that the reserve assets are kept with such persons who have the necessary capacity to carry out the safekeeping of the reserve assets as efficiently as possible and in good faith;

(4) ensure the uninterrupted access of the issuer to the reserve assets for the purpose of carrying out the repurchase or redemption of the tokens properly.

4. In case circumstances occur during the effectiveness of the contract provided for by part 1 of this Article leading to affiliation between the issuer and the persons prescribed by the same part, the issuer shall be obliged to eliminate them within six months.

5. Reserve assets must be kept and record-kept separately from the assets of the issuer, as well as reserve assets of other tokens issued by the same person. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, requirements for ensuring the separated safekeeping and record-keeping of reserve assets.

6. Reserve assets may not be pledged or considered as a measure of securing other liabilities or be confiscated against liabilities of the issuer of tokens or the persons prescribed by part 1 of this Article.

7. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, additional requirements for the safekeeping of reserve assets, including requirements for the contract prescribed by part 1 of this Article and criteria for the persons prescribed by the same part.

Article 64. Right to redemption of tokens

1. The acquirer of asset-referenced tokens shall always have the right to submit a claim for redemption of the tokens thereof to the issuer.

2. If the issuer is not able to fulfil the liabilities thereof related to the recovery or redemption plan of reserve assets in compliance with Article 66 and 67 of this Law, the acquirer of asset-referenced tokens shall gain a right to claim to the reserve assets.

3. Upon the request of the holder of asset-referenced tokens, the issuer shall be obliged to redeem the token belonging thereto for funds (except for electronic money) equivalent to the market value of the assets to which the token is referenced.

4. The issuer shall be obliged to define and apply a policy and procedures for the exercise of the right to redemption of tokens of acquirers of asset-referenced tokens, which shall define at least:

(1) conditions for exercising the right to redemption, including the threshold or limit for arising of the right to redemption, the prescribed permissible time period for enjoying the right to redemption and the time limits for exercise thereof;

(2) mechanisms and procedures for exercising the right to redemption, including in emergency cases and within the scope of implementation of the recovery plan;

(3) principles for assessment of tokens and reserve assets;

(4) conditions for final settlement of tokens being redeemed;

(5) measures that issuers must undertake for the effective management of the increase and reduction of reserve assets, which will also not have a negative impact on the reserve assets market.

5. No fee shall be charged for the redemption of tokens, except for the case prescribed by Article 66 of this Law.

Article 65. Prohibition to pay income

1. The issuer may not pay income to acquirers for the token.

2. When providing services related to tokens, a crypto-asset service provider may not pay or offer income to the acquirer of token.

3. Any compensation or benefit which is provided to the acquirer of an asset-referenced tokens for acquiring a token and keeping it for a certain time period, shall be deemed income within the meaning of this Article. Any type of payment, discount or other compensation by the issuer or another person, which is directly related to the token or acquiring another asset by the issuer or another person at a discounted price, shall be income within the meaning of this Article.

Article 66. Reserve asset recovery plan

1. The issuer shall be obliged to define and apply a recovery plan which shall include the measures undertaken in case of violating the requirements prescribed by this Law for reserve assets for eliminating the violations concerned. The recovery plan shall also contain the measures for ensuring the continuity of the services of the issuer related to tokens, and in case events giving rise to essential risks for the disruption of activities of the issuer occur — the steps for fulfilment of liabilities and recovery of the activities of the issuer within the shortest period possible, as well as the fees charged for the redemption of tokens, the maximum volume of tokens that may be redeemed, and the procedure and conditions for suspending the redemption of tokens.

2. The recovery plan shall be submitted to the Central Bank within six months after the publication of the white paper of the tokens. The Central Bank may request the issuer to update the recovery plan, where it is necessary for ensuring the proper application of the plan. The issuer shall be obliged to update the recovery plan within 40 days after receiving the request provided for

by this part and submit it to the Central Bank.

3. The issuer shall be obliged to review the recovery plan regularly, at least once a year.

4. In the cases when the issuer fails to meet the requirements applied under this Law to reserve assets, or the issuer might not meet those requirements in future conditioned by the deterioration of the financial position of the issuer, the Central Bank may request the issuer to:

(1) implement one or more measure provided for by the recovery plan for meeting the requirements prescribed by this Law for reserve assets;

(2) review the recovery plan, where the assumed situations underlying the drawing up of the recovery plan do not correspond to the actual situation;

(3) carry out actions defined by the recovery plan reviewed pursuant to point 2 of this part within the time limits prescribed by the Central Bank.

5. In the cases prescribed by part 4 of this Article, the Central Bank may temporarily suspend the redemption of tokens.

6. The Board of the Central Bank may define detailed requirements for the form and content of the recovery plan, as well as the procedure for its submission to the Central Bank.

Article 67. Token redemption plan

1. With a view to ensuring the regular process of redemption of tokens, the issuer shall be obliged to define a redemption plan for each token.

2. Where, in the reasonable opinion of the Central Bank, the issuer is unable, or there is a reasonable doubt that the issuer will not be able to fulfil the liabilities thereof related to the redemption of tokens (including in cases of bankruptcy, insolvency or liquidation), the Central Bank may request the issuer to apply the redemption plan provided for by part 1 of this Article.

3. The redemption plan must include provisions and procedures that ensure equal treatment of all acquirers of tokens, and that the amount generated from the sales of residual reserve assets is paid to the acquirers in time.

4. The redemption plan shall ensure the continuity of the processes deemed essential for the regular course of redemption and conducted by the issuer or other persons.

5. The redemption plan shall be submitted to the Central Bank within six months after the publication of the white paper of the tokens. The Central Bank may request the issuer to update the redemption plan, where it is necessary for ensuring the proper application of the plan. The issuer shall be obliged to update the redemption plan within 40 days after receiving the request provided for by this part by the Central Bank and submit it to the Central Bank.

6. The Board of the Central Bank may prescribe by the regulatory legal acts thereof:

(1) detailed requirements for the form and content of the redemption plan, including its updates, and for the procedure for its submission to the Central Bank, taking into account the quantity, complexity, nature of the tokens and the business model of the issuer;

(2) cases or events serving as a ground for redemption of tokens.

Article 68. Issuers of electronic money tokens and special requirements for their issuance

1. Electronic money tokens may be issued only by:

(1) banks;

(2) payment and settlements organisations having the right to issue electronic money as prescribed by the Law "On payment and settlement organisations" and regulatory legal acts adopted based thereon.

2. The provisions provided for by Articles 60-64 and 66 of this Law shall not extend to the issuer of electronic money.

3. Upon the request of the acquirer of electronic money token, the issuer shall be obliged to redeem the electronic money token owned thereby with funds equivalent to its nominal value, except for redemption with electronic money.

SECTION 4

PROHIBITION OF MARKET ABUSES

CHAPTER 11

PREVENTION AND PROHIBITION OF ABUSES OF THE MARKET IN CRYPTO-ASSETS

Article 69. Application of provisions relating to market abuse

1. Abuse of the market in crypto-assets shall be prohibited.

2. Within the meaning of this Law, market abuse shall be the use of insider information in bad faith and price manipulations.

3. Unless otherwise provided by this Chapter, the provisions of this Chapter shall extend to any crypto-asset admitted to trading on the trading platform for crypto-assets operating in the territory

of the Republic of Armenia, as well as the crypto-assets and relations pertaining thereto, for which admission to trading on the crypto-asset trading platform is sought.

4. The provisions of this Chapter shall extend to any transaction by any person, order or other relation pertaining to crypto-assets, prescribed by part 3 of this Article, even if they take place outside the crypto-asset trading platform.

Article 70. Insider information

1. Any certain unpublished information, which directly or indirectly relates to one or several crypto-assets or issuers thereof or persons seeking admission to trading of crypto-assets on the trading platform, and the publication of which may have an essential impact on the prices or exchange rates of the mentioned crypto-assets, shall be deemed to be insider information.

2. For persons fulfilling orders connected with crypto-assets, insider information shall be deemed to be certain unpublished information provided by the client, which is connected with the orders assigned by the client and directly or indirectly relates to one or several crypto-assets or their issuers or persons seeking admission to trading of crypto-assets on the trading platform, and the publication of which may have an essential impact on the prices or exchange rates of the mentioned crypto-assets.

3. The certain information mentioned in parts 1 and 2 of this Article shall be the information on a fact or event which has taken place, is taking place or has a realistic probability of taking place, which is sufficient for forming a substantiated opinion on the potential impact of the mentioned facts or events on the prices or exchange rates of crypto-assets. Moreover, the information on interim processes or factors forming a part of the fact or event prescribed by this part or leading to their arising shall also be deemed insider information, if it meets the criteria prescribed by this Article.

4. The information mentioned in parts 1 and 2 of this Article, which, if published, will have an essential impact on the price or exchange rate of the crypto-assets, shall be the essential information which the reasonable acquirer would value when taking a decision on purchase and sale of the given crypto-asset.

Article 71. Disclosure of insider information

1. The issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform shall be obliged to immediately disclose the insider information directly relating thereto. The insider information and its amendments or supplements shall be disclosed in a way which would ensure quick access to it and full, accurate and timely evaluation of that information by the public.

2. The issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform shall be prohibited to join the insider information subject to disclosure, prescribed by part 1 of this Article, with any marketing communication thereof.

3. The issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform shall be obliged to publish the insider information subject to disclosure, prescribed by part 1 of this Article, on the website thereof for a period of at least five years.

4. The issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform may postpone the disclose of the insider information at own responsibility, where:

(1) the disclosure of the insider information may essentially damage the lawful interests thereof;

(2) the postponement will not lead to misleading the public; and

(3) the confidentiality of the insider information will be ensured thereby.

5. In case of postponing the disclosure of the insider information, upon the request of the Central Bank, the issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform shall be obliged to inform the Central Bank thereof and submit justifications on meeting the conditions prescribed by part 4 of this Article.

6. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, detailed requirements for the form of and procedure for disclosure of the insider information, as well as the description of the situations where the disclosure of the insider information may damage the lawful interests of the issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform, as well as the requirements for maintaining confidentiality of the insider information.

7. The issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform shall be obliged to define internal rules regulating the process of maintaining confidentiality of the insider information and disclosing it, as well as regulating the process of concluding transactions by its executive officers, other employees and qualified holders with crypto-assets issued thereby (the crypto-assets for which admission to trading of crypto-assets on the trading platform is sought).

8. The responsibility to define internal rules, prescribed by part 7 of this Article, shall also extend to other persons who posses insider information in connection with performance of their functions, duties or provision of services.

9. The persons specified in parts 7 and 8 of this Article shall be obliged to submit the internal rules prescribed by this Article to the Central Bank upon the request of the Central Bank within five working days upon receiving that request.

Article 72. Prohibition of use of insider information in bad faith

1. Within the meaning of this Chapter, an insider shall be each person who possesses insider information in relation to participation thereof in the authorised capital of the issuer of crypto-assets or the person seeking admission to trading of crypto-assets on the trading platform, the membership, office or fulfilment of other duties thereof or provision of services in any management body.

2. Where the person specified in part 1 of this Article is a legal person, the natural person who participates in the process of decision-making on conclusion of transactions for the legal person shall also be deemed to be an insider.

3. Any other person who possesses insider information, including possesses insider information obtained as a result of a crime, who might have been aware that this information is insider information in the case of having paid reasonable attention, shall be deemed to be an insider.

4. Any person who familiarises with the insider information the source of which is obviously one or more insider shall also be deemed to be an insider.

5. The use of insider information in bad faith shall exist, where the insider:

(1) directly or indirectly purchases or sells or attempts to purchase or sell a crypto-asset on the basis of insider information or cancels or changes the order for purchase and sale of crypto-asset at own or another person’s expense after becoming an insider;

(2) discloses insider information to other persons, except for the cases when such disclosure is connected with performance of routine functions or performance of official duties;

(3) recommends or otherwise guides other persons on the basis of insider information to purchase or sell a crypto-asset or cancel or change the order for purchase and sale of crypto-asset. The use of insider information in bad faith shall also be deemed to be the case when a person cancels or changes the order for purchase and sale of crypto-asset on own or another person's behalf after becoming an insider

Article 73. Price manipulations

1. Within the meaning of this Law, a price manipulation shall be deemed to be:

(1) conclusion of such transactions or making an order on conclusion thereof, which leads or may lead to shaping a wrong or misleading idea on the price or exchange rate of a crypto-asset in the market, on the volume of demand for or supply thereof or wrongful or misleading signalling, except for the cases when the actions of the person concluding the transaction or having made the order for conclusion of the transaction do not meet the criteria provided for by part 2 of this Article;

(2) conclusion of such transactions or making an order on conclusion thereof that leads to irregular price or exchange rate deviations of the crypto-asset or to establishing an artificial level of the price or exchange rate of the crypto-asset, except for the cases when the actions of the person concluding the transaction or having made the order for conclusion of the transaction do not meet the criteria provided for by part 2 of this Article;

(3) conclusion of the transactions or making an order for conclusion thereof carried out with application of false, bad faith mechanisms or mechanisms leading to misunderstanding or misleading mechanisms;

(4) spreading such information that communicates wrong or misleading signals regarding prices or exchange rates of the crypto-assets to the market participants, including spreading distorted information on the price or exchange rate of the given crypto-asset, where the person spreading that information knew or might have reasonably known about the fact of non-correspondence thereof to the reality.

2. The Board of the Central Bank may prescribe, by the regulatory legal acts thereof, the detailed description of existence of a case of price manipulation specified in part 1 of this Article.

Article 74. Detection and prevention of abuses of the market in crypto-assets

1. Any crypto-asset service provider who is engaged in relations pertaining to purchase and sale of crypto-assets must have and apply necessary procedures for detecting and preventing cases of market abuses.

2. Any crypto-asset service provider prescribed by part 1 of this Article shall be obliged to immediately notify the Central Bank of any reasonable suspicion the person has of market abuse having taken place, taking place or with a great probability to take place in future, orally, in writing or electronically. In case of notifying orally, the crypto-asset service provider shall, upon the request of the Central Bank, submit in writing the information submitted orally no later than at the end of the day following the day of submission of oral information.

3. The suspicion specified in part 2 of this Article shall be substantiated by evidence.

4. When reporting suspicions, specified in part 1 of this Article, regarding any person to the Central Bank, the crypto-asset service provider shall be obliged to observe the confidentiality of the

fact of submission of information on the suspicions to the Central Bank.

5. The notification on the suspicion specified in part 2 of this Article shall contain:

(1) description of the suspicious transaction, order or another action or information (including where it is related to the DLT or the consensus mechanism);

(2) substantiation of the suspicion;

(3) measures to clarify the identity of the parties to the transaction;

(4) information on the activities of the person reporting the suspicion;

(5) other information considered essential by the person reporting the suspicion.

6. Where the whole information specified in part 5 of this Article is not available to the person reporting the suspicion, the notice on the suspicion shall contain at least the substantiation of the suspicion. The rest of the information specified in part 5 of this Article shall be submitted to the Central Bank immediately upon availability thereof.

SECTION 5

OFFICIAL INFORMATION

CHAPTER 12

OFFICIAL INFORMATION, CO-OPERTION AND COLLECTION OF INFORMATION BY THE CENTRAL BANK

Article 75. Official information

1. Within the meaning of this Law, official information shall be deemed to be any information on the client’s accounts that has become known to the crypto-asset service provider in the course of servicing the client, information on the operations executed upon the order or to the benefit of the client, as well as commercial or official secret, information on any activity plan or on the design, invention or industrial design of the client and any information thereon, which the client intended to keep secret, and the crypto-asset service provider was or should have been aware of such intention.

2. The information prescribed by part 1 of this Article, related to the client, provided to the Central Bank with regard to exercising control over the crypto-asset service provider shall be considered as official information.

Article 76. Disclosure of official information

1. Any person, state body or official shall be prohibited to disclose any official information which it was confided in or which became known thereto in the course of service or job thereof or provided thereto as prescribed by this Law, except for the cases provided for by part 2 of this Article. The crypto-asset service provider, its executive officer or officer shall be obliged to reject any motion or request to provide official information, if it is not submitted in compliance with the provisions of this Law. Disclosure of official information shall be deemed the publication of that information (or any medium thereof) in verbal or written form, through the mass media or otherwise, making such information available to another person or spreading it, any direct or indirect provision of any opportunity to another person to obtain such information (authorising, not hindering or making possible the disclosure of such information as a result of the breach of the procedure for keeping such information).

2. The following shall not be deemed a disclosure of official information and shall not be prohibited by part 1 of this Article:

(1) communication or provision of official information by the crypto-asset service provider to any persons or organisations that render legal, accounting and other advisory or representative services, or perform certain works for the crypto-asset service provider, if it is necessary in order to render the services or to perform the works, and if such persons or organisations have provided a written undertaking to keep such information and to refrain from its disclosure;

(2) disclosure of information related only to the client of the crypto-asset service provider, if such disclosure was made through the written permission or through a verbal permission thereof granted in the court;

(3) provision of official information to the Central Bank in the course of exercising control over the activities of the crypto-asset service provider. The Central Bank may, in the course of exercising control over crypto-asset service providers, receive and familiarise with the information related to the clients of the crypto-asset service providers, if that information is necessary for the evaluation of loan and other investments, other assets, or other purposes of supervision, prescribed by this Law;

(4) provision of official information in compliance with the requirements prescribed by the Civil Procedure Code of the Republic of Armenia, the Criminal Procedure Code of the Republic of Armenia, and the Law “On civil forfeiture of illegal assets”;

(5) provision of official information on the list, type and status of crypto-asset accounts opened

by the Central Depository and other persons carrying out custody of crypto-assets to the Prosecutor General's Office of the Republic of Armenia, the Investigative Committee of the Republic of Armenia, the Anti-Corruption Committee of the Republic of Armenia, the National Security Service of the Republic of Armenia, the Commission for the Protection of Competition, the State Revenue Committee of the Republic of Armenia and the Police of the Republic of Armenia;

(6) exchange of the disclosed information on the crypto-assets of the investment fund or its participator and the fund belonging thereto during the management of the investment fund or the custody of the assets thereof between the given investment fund, the given investment fund manager and custodian;

(7) provision of information or documents obtained during the audit by the person conducting audit to the Central Bank in cases prescribed by law;

(8) provision of official information to competent bodies of a foreign state as prescribed by law and international treaties, as well as under a co-operation agreement;

(9) provision of information to the Corruption Prevention Commission in the cases prescribed by the Law “On Corruption Prevention Commission”.

3. The procedure for providing the information provided for point 5 of part 2 of this Article shall be defined by the Government. The custodians shall provide the information provided for by point 5 of part 2 of this Article by giving access to the electronic data information system, and in case of impossibility of receiving information from such system or in case of necessity to receive the information not entered in the system — by submitting a written response to the request received from the relevant authority. The information shall be provided free-of-charge, except for the information provided in carbon copy, for which the procedure for and amount of compensation shall be provided for by a decision of the Government defining the procedure for providing information.

Article 77. Duty to keep official information

1. Crypto-asset service providers shall be obliged to keep official information in compliance with parts 2 and 3 of this Article.

2. Executive officers, officers, former executive officers and officers of crypto-asset service providers, as well as the persons and organisations that are rendering or have rendered services or are performing or have performed works for the crypto-asset service provider, shall be prohibited to disclose official information confided in or known by them in the course of their service or work, as well as to use such information based on personal or other persons' interests or to provide a direct or indirect opportunity to other persons to such use (including authorising, not hindering or making possible the disclosure of such information as a result of the breach of the procedure for keeping such information).

3. Crypto-asset service providers shall be obliged to undertake such technical measures and define such organisational rules that are necessary to ensure the proper keeping of official information.

Article 78. Provision of official information

1. The provision of official information shall be the verbal or written communication of such information to state bodies, officials and citizens in cases and on grounds prescribed by this Law.

2. A person (other than the crypto-asset service provider) that has been confided in or aware of any official information in the course of the service or work thereof shall not have the right to provide that information to other persons. The provision of official information about the clients of crypto-asset service providers that has become known to the Central Bank in the course of exercising control over the crypto-asset service providers may be carried out only in compliance with part 1 of this Article.

3. The provision of official information by the Central Bank to the competent bodies of a foreign state shall be carried out for the purposes and in the manner prescribed by law.

Article 79. Provision of official information upon court decision

1. Crypto-asset service providers shall provide official information required for civil cases only based on the court decision adopted as prescribed by the Civil Procedure Code of the Republic of Armenia, which shall also specify the person and the information relating to him or her subject to provision.

2. Provision of official information in criminal proceedings shall be regulated by the Criminal Procedure Code of the Republic of Armenia.

3. In the cases prescribed by the Law “On civil forfeiture of illegal assets”, official information shall be provided to the competent body based on a court decision.

4. Provision of any official information based on the decision prescribed by part 1 of this Article about other persons not specified in that decision shall be prohibited.

Article 80. Provision of official information to heirs (legal successors) of the client

1. Provision of official information by the crypto-asset service provider to heirs (legal successors) of the client shall be performed as prescribed by the Civil Code of the Republic of Armenia.

Article 81. International co-operation of the Central Bank and co-operation with persons

1. The Central Bank shall, with a view to achieving its objectives and exercising the competences prescribed by law in the field of market in crypto-assets, co-operate with competent bodies of a foreign state, as well as international organisations by concluding international treaties or co-operation agreements, and in case of absence thereof — in the manner established in the international practice.

2. The Central Bank shall, upon own initiative or based on a request, exchange information (including documents), including information containing secrets prescribed by law (except for the state secret prescribed by the Law "On state secrets"), with competent bodies of a foreign state, which, based on the obligations arising from an international treaty or co-operation agreement, shall ensure adequate confidentiality of the information and use such information for the purpose of international co-operation in the field of regulation, control over the market in crypto-assets, combating abuses in the market in crypto-assets, or protection of the interests of crypto-asset acquirers.

3. The Central Bank may reveal the fact of receiving confidential requests from the competent bodies of a foreign state, as well as the fact of receiving information and its content:

(1) for the purposes provided for by part 2 of this Article; or

(2) upon consent of the competent body of a foreign state having sent the relevant request and having requested the information.

4. The Central Bank may provide information containing a secret prescribed by law (except for the state secret prescribed by the Law "On state secret") to competent bodies of a foreign state, provided that the confidentiality requirements prescribed by the legislation of the Republic of Armenia are applied, if such requirements are stricter than the confidentiality requirements prescribed by the laws and legal acts of the co-operating foreign state.

5. The Central Bank shall refuse to provide information to the competent bodies of a foreign state, where:

(1) it may affect adversely the sovereignty, security and public order of the Republic of Armenia;

(2) such data constitute a state secret;

(3) it will lead to the violation of requirements provided for by the legislation of the Republic of Armenia;

(4) in the reasonable opinion of the Central Bank, it will not be used for the purposes provided for by part 2 of this Article;

(5) a criminal prosecution has been instituted in the Republic of Armenia against the person mentioned in the request under the same circumstances, or the same person has been subjected to liability under the same circumstances as prescribed by the legislation of the Republic of Armenia, as long as the competent body of a foreign state making the request has not assured that the requested information is necessary for applying liability other than the sanctions applied by the legislation of the Republic of Armenia.

6. In case of refusing to provide information, the Central Bank shall notify the requesting body thereof in writing and submit the grounds for the refusal.

7. For the purpose of exchanging information, the Central Bank may conclude co-operation agreements or other agreements with competent bodies of a foreign state

8. If there is a need to prevent or investigate abuses in the market in crypto-assets, as well as to obtain information subject to exchange (including documents or their copies) in the cases provided for by an international treaty or co-operation agreement, the Central Bank shall co-operate with natural and legal persons that provide necessary information and documents based on the written application of the Central Bank.

SECTION 6

CONTROL AND SANCTIONS

CHAPTER 13

CONTROL AND LIABILITY FOR VIOLATING REQUIREMENTS OF THIS LAW

Article 82. General grounds for the competence to exercise control and apply sanctions

1. The control over fulfilment and observance of the requirements of legal acts regulating the market in crypto-assets, including internal legal acts of crypto-asset service providers shall be

exercised and sanctions shall be applied by the Central Bank as prescribed by this Law, the Law "On the Central Bank of the Republic of Armenia", other laws, and the regulatory legal acts of the Board of the Central Bank.

2. The Central Bank shall, within the scope of its competences, exercise control over crypto-asset service providers in the territory of the Republic of Armenia, branches, representative offices of foreign companies, persons having the authorisation to provide crypto-asset services under this Law, persons carrying out public offering of crypto-assets, persons seeking admission to trading of crypto-assets on the trading platform, issuers of crypto-assets admitted to trading of crypto-assets on the trading platform and their qualifying holders, executive officers and natural persons providing crypto-asset services in the composition of crypto-asset service providers.

Article 83. Sanctions applied and other competences

1. The Central Bank shall have the competence to apply the following sanctions for the violation of the requirements of the legal acts regulating the market in crypto-assets, including the internal legal acts of crypto-asset service providers by any person:

(1) warning;

(2) fine;

(3) removal of executive officer from registration;

(4) repealing the licence;

(5) termination of authorisation or registration in the cases provided for by this Law.

2. The Central Bank may concurrently apply more than one sanction for each violation provided for by this Law, as well as issue an assignment on eliminating the violation or undertaking measures for prevention of such violation in future.

3. The liability provided for by this Law shall be applied to legal persons and natural persons having violated part 1 of Article 69 as a result of performance of the actions provided for by part 5 of Article 72 and part 1 of Article 73 of this Law, where such actions do not entail, by their nature, criminal liability in compliance with the law in effect.

4. When applying a sanction, the Central Bank shall take into account at least:

(1) the nature of the violation (existence of intent, carelessness or negligence);

(2) existence and size of damage caused to other persons by the violation;

(3) the extent of unjust enrichment taking into account indemnities given to other persons;

(4) size of income generated or damage avoided as a result of the violation;

(5) previous commission of the same or any other violation by the same person and having been subjected to liability for it, as well as the size and nature of the previous liability;

(6) the extent of the necessity to preclude such violations by the same and other persons in the future.

5. When exercising control over the compliance with the requirements of legal acts regulating the market in crypto-assets, including the fulfilment of and compliance with the requirements of internal legal acts of crypto-asset service providers, based on the objectives of stability of the given person or the financial system and of this Law, the Central Bank may, in its reasonable opinion:

(1) suspend the provision of services with certain crypto-assets or certain services with crypto-assets, but for a period not more than six months;

(2) assign crypto-asset service providers, persons carrying out public offering of crypto-assets, persons seeking admission to trading of crypto-assets on the trading platform to make amendments to the white paper or the marketing communication, including to suspend or terminate the marketing communication, but for a period not more than six months;

(3) suspend the public offering, placement of crypto-assets or the admission to trading of crypto-assets or request the crypto-asset service provider to suspend the trade in crypto-assets on the crypto-asset trading platform, but for a period not more than six months;

(4) terminate the public offering, placement of crypto-assets or the admission to trading of crypto-assets or the trade in crypto-assets on the trading platform for crypto-assets;

(5) request the issuer of crypto-assets, the person making the public offering or the person seeking admission to trading of crypto-assets on the trading platform to disclose the entire essential information on the crypto-assets offered or admitted to trading on the platform;

(6) request the crypto-asset service provider to conduct independent audit of the DLTs, consensus mechanisms established thereby, the software solutions created for the purpose of carrying out transactions and functions automatically (including smart contracts), other information and technology systems or algorithms by a person having relevant experience in conducting audit in the specified fields. The crypto-asset service provider shall be obliged to submit the opinion of the person conducting audit to the Central Bank within 10 days after the completion of the audit. The Board of the Central Bank may define, by the regulatory legal acts thereof, criteria for the person conducting audit provided for by this part, in case of meeting of which the person conducting audit may provide audit service related to information and technology systems to the crypto-asset service provider.

Article 84. Warning

1. In case of violation, by any person, of the requirements of the legal acts regulating the market in crypto-assets, the Governor of the Central Bank shall have the competence to issue a warning by his or her decision.

2. The decision to issue a warning shall enter into force from the moment of entering, delivering it at the addressee's registered office or place of residence or sending it to the place of location or residence indicated thereby, sending it to the official electronic mail specified or published by the addressee or informing him or her in another due manner, and shall be subject to mandatory fulfilment by the warned person.

3. The warning shall be substantiated through written statement of the reasons thereof, including the facts having served as a ground for the decision of the Governor of the Central Bank. The actions of the warned person which may lead to violation of the laws and other legal acts regulating the market in crypto-assets may also serve as a ground for the decision of the Governor of the Central Bank.

Article 85. Application of fine

1. In case of failure by a person to fulfil the requirements of legal acts regulating the market in crypto-assets, including the internal legal acts of a crypto-asset service provider, as well as failure to fulfil the order, the Governor of the Central Bank shall have the competence to apply the fines provided for by this Article upon his or her decision.

2. If no greater fine is prescribed by legal acts regulating the market in crypto-assets for specific violations, a fine in the amount of up to 300 per cent of the profit or loss generated as a result of the violation shall be imposed (if it is possible to determine the size of the profit or loss generated as a result of the violation). If it is impossible to determine the size of the profit or loss generated as a result of the violation, a fine shall be applied:

(1) for legal persons — in the amount of up to 15 per cent of the generated annual revenue or income, taking as a basis the financial statements of the given person published for the last year upon the audit opinion;

(2) for natural persons — in the amount of up to twenty-thousand-fold of the minimum salary.

3. The Board of the Central Bank shall have the competence to define — upon the decision thereof — the methodology of calculation of the size of the fine and the procedure for deferred payment of the fine.

Article 86. Repealing or revoking the licence

1. The licence of activities of persons being licensed by the Central Bank pursuant to this Law shall be repealed or revoked by the decision of the Board of the Central Bank, in the cases provided for by this Law.

Article 87. Removing an executive officer from registration

1. The Governor of the Central Bank shall — upon his or her decision — remove the executive officers of the crypto-asset service provider from registration with the Central Bank in the cases provided for by this Law, other laws regulating the field of crypto-assets, and other regulatory legal acts adopted based thereon.

Article 88. Supplementary liability

1. The liability provided for by this Chapter shall be applied together with any other type of liability prescribed by law (criminal, administrative, civil, etc.) as main or supplementary liability.

CHAPTER 14

CIVIL LIABILITY

Article 89. Civil liability for distortion of information and price manipulations

1. Any person who distorts or omits or otherwise misleads any essential fact in any provision contained in any application, white paper, report or any other similar documents provided for and submitted under this Law, other laws regulating the field of crypto-assets, and regulatory legal acts adopted based thereon, or in any provision, announcement or information included therein or in documents submitted attached thereto, shall bear liability for damages caused to any person who, being unaware that the information is distorted or misleading and in reliance upon such information, purchased, sold a crypto-asset at the price formed under the influence of the given information.

2. With a view to determining the issue of indemnification of actual damages caused to the crypto-asset acquirer, the misleading of the crypto-asset acquirer shall be deemed caused by the fault of the person having performed the actions provided for by part 1 of this Article, unless such person proves that he or she did not know and was not obliged to know about the distortion or

omission of that information.

3. Any person who, with direct or indirect intention, has performed actions or transactions prohibited by Article 73 of this Law, shall bear joint and several liability for the damage caused to any person who has purchased or sold a crypto-asset at a distorted price as a result of the given action or transaction.

Article 90. Civil liability of executive officers

1. Executive officers of issuers, persons carrying out public offering of crypto-assets other than the issuer, persons seeking admission to trading of crypto-assets on the trading platform (hereinafter referred to within the meaning of this Article as "issuer") shall be obliged to act in good faith and with sufficient care while exercising their rights and performing official duties, which must be displayed by a person holding an equivalent position when managing own business in equivalent circumstances, as well as take such decisions which, in their opinion, are derive from the interests of the issuer and the crypto-asset acquirers.

2. Executive officers of issuers (if that body adopts decisions by voting) when voting in favour of any decision in violation of the obligations prescribed by part 1 of this Article, rendering a decision or providing written advice in violation of the obligations prescribed by part 1 of this Article, shall bear joint and several liability (with other persons who have voted for or adopted such decision, or provided such advice) for damages caused to the issuer by such decision or advice, except for the cases provided for by part 3 of this Article.

3. The executive officer specified in part 2 of this Article (hereinafter referred to in this part as "liable person") shall be exempt from the liability prescribed by the same part, where:

(1) the liable person (except for the person who has taken the decision individually — to the extent of his or her decision, and the advisor to the extent of his or her advice):

a. has refused to fulfil the requirements of the given decision within the scope of the official duties thereof;

b. has notified the Central Bank and members of the board or another similar body of the issuer in writing, within a period of three days following the day of taking the decision, by announcing that he or she does not assume any liability for the decision or for the consequences of its relevant part;

(2) proves that such decision or advice is compelled by law or other legal acts;

(3) proves that when voting in favour of the decision, taking the decision, providing the advice or performing other official duties thereof, he or she was not aware that it might cause damage, and relied on such information, expert opinion, reports or manuals or documents which were prepared or recommended by:

a. one or more officials or employees of the issuer within the scope of the official duties thereof;

b. employee of the issuer or legal advisor, accountant, auditor, financial advisor or other person with the right to provide expert opinion to the issuer on contractual basis, except for the cases provided for by part 4 of this Article.

4. A liable person shall not be exempted from the liability on the ground prescribed by point 3 of part 3 of this Article, where it is proved that:

(1) he or she had been aware of such mistake or bad faith in the documents provided for by point 3 of part 3 of this Article which resulted in infliction of the damage;

(2) his or her position and knowledge of the subject allowed the latter to reveal, by a sound study, the mistake or bad faith or the inevitability of the damage, but the latter had not conducted the study in good faith.

Article 91. Civil liability of controlling persons

1. Any person who, by the virtue of or through stock ownership, contract or arrangement or otherwise (independently or jointly with other persons), directly or indirectly controls (controlling person) any person (controlled person) bearing civil liability pursuant to this Law, shall bear joint and several liability together with the controlled person against the persons against whom the controlled person bears liability, except for the cases when the controlling person has acted in good faith and has not been aware of the fact of that violation, and upon becoming aware, has immediately notified the Central Bank thereof and has taken measures to the extent possible to prevent the violation or continuity thereof.

SECTION 7

OTHER PROVISIONS

CHAPTER 15

SUSPENSION OF TIME LIMITS PRESCRIBED BY LAW AND REGISTRATION OF CHANGES

Article 92. Suspension of time limits prescribed by law

1. The time limits prescribed by this Law for registering and issuing licence, issuing authorisation, putting on record, providing prior consent, providing consent, granting approval or adopting any other legal act on the basis of this Law may be suspended by the Central Bank for the purpose of clarifying certain facts required by the Central Bank, but for a period not longer than six months.

2. Where the Central Bank, within the time-limits prescribed for registering and issuing licence, issuing authorisation, providing prior consent, providing consent, granting approval or adopting any other legal act on the basis of this Law, fails to inform the person about not rejecting the application, petition, request or any other motion or about suspension of the prescribed time limit, the legal acts prescribed by Law shall be deemed adopted by the Central Bank.

Article 93. Registration of changes

Crypto-asset service providers, branches and representative offices of foreign companies shall be obliged to submit the following changes to the Central Bank for registration within a period of ten days after the occurrence thereof:

(1) amendments /or supplements to the statute;

(2) changes in the composition of executive officers;

(3) other changes prescribed by law or the regulatory legal acts of the Board of the Central bank.

1. The Central Bank shall be obliged to register or reject the registration of the changes provided for by part 1 of this Article within a period of one month after receiving the documents submitted for registration.

2. The Central Bank shall register the changes, if they do not contradict laws or other legal acts and have been submitted pursuant to the requirements of the regulatory legal acts prescribed by the Board of the Central Bank.

3. The procedure for and form of submitting the changes for registration shall be defined by the regulatory legal acts of the Board of the Central Bank.

4. The changes provided for by this Law and the regulatory legal acts prescribed by the Board of the Central Bank shall enter into force from the moment of their registration by the Central Bank.

5. In case of increase of the size of the authorised capital, crypto-asset service providers shall open a cumulative account with the Central Bank or any commercial bank operating in the Republic of Armenia and not affiliated to the given person. The funds of the cumulative account shall be frozen by the Central Bank or the commercial bank and the person shall not be able to possess, dispose of and use those funds before registration of the changes in the Central Bank as prescribed by this Article.

SECTION 8

FINAL PART AND TRANSITIONAL PROVISIONS

CHAPTER 16

FINAL PART AND TRANSITIONAL PROVISIONS

Article 94. Entry into force of the Law and specific norms thereof, and transitional provisions

1. This Law shall enter into force on the tenth day following the day of its official promulgation.

2. Persons who provide the crypto-asset services provided for by Article 16 of this Law in the territory of the Republic of Armenia as of the day of entry into force of this Law must be registered and licensed as a crypto-asset service provider by the Central Bank within one year after the entry into force of the regulatory legal act provided for by part 1 of Article 17 of this Law. The Central Bank shall — within three working days after making the registration of the legal person pursuant to this part — notify the State Register of Legal Entities of the Ministry of Justice, indicating the identification data relating to the legal person recorded in the register of the State Register of Legal Entities of the Ministry of Justice, as well as the identification data issued to the legal person following the registration by the Central Bank, after the receipt whereof the State Register of Legal Entities of the Ministry of Justice shall make a note in the register to the effect that the given legal person is registered by the Central Bank, as well as replace the state registration number of the legal person in the register with the registration number issued by the Central Bank. The Central Bank may prescribe exceptions for the documents and information required by Chapters 4 and 5 of this Law or requirements for submitting them otherwise for the organisations prescribed by this part and persons with qualifying holding in the authorised capital thereof.

3. After the entry into force of this Law, persons not included in part 2 of this Article may provide crypto-asset services only in case of registration and licensing by the Central Bank as prescribed by this Law, and in case of availability of a requirement for authorisation — in case of obtaining authorisation. The Central Bank shall — within three working days after making the

registration of the legal person provided for by this part — notify the State Register of Legal Entities of the Ministry of Justice thereof, indicating the identification data relating to the legal person recorded in the register of the State Register of Legal Entities of the Ministry of Justice (where available), as well as the identification data issued to the legal person following the registration with the Central Bank, after the receipt whereof the State Register of Legal Entities of the Ministry of Justice shall make a note in the register to the effect that the given legal person is registered by the Central Bank.

4. Before the entry into legal force of the regulatory legal act provided for by part 1 of Article 13 of this Law, issuers or persons carrying out placement of crypto-assets sold by public offering in the territory of the Republic of Armenia shall — within three months following the entry into force of the regulatory legal act provided for by part 1 of Article 13 of this Law, but no later than the last day of the third month — draw up, publish a white paper and submit it to the Central bank as prescribed by this Law, unless the white paper of the public offering of the given crypto-assets is an exception from the requirement for publishing the white paper under this Law.

5. The regulatory legal acts provided for by part 1 of Article 13, part 1 of Article 17 and parts 1 and 2 of Article 27 of this Law shall be adopted by the Board of the Central Bank within six months following the day of entry into force of this Law.

President of the Republic **V. Khachaturyan**

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Փոփոխման պատմություն

Փոփոխող ակտ	Համապատասխան ինկորպորացիան

Փոփոխված ակտ

Փոփոխող ակտ	Համապատասխան ինկորպորացիան