

LAW OF THE REPUBLIC OF ARMENIA

"ON MAKING SUPPLEMENTS TO THE LAW OF THE REPUBLIC OF ARMENIA

"ON STATE REGISTRATION OF LEGAL PERSONS,

STATE RECORD-REGISTRATION OF SEPARATED SUBDIVISIONS,

INSTITUTIONS OF LEGAL PERSONS AND INDIVIDUAL ENTREPRENEURS"

Article 1. In part 1 of Article 3 of Law of the Republic of Armenia HO-169 of 3 April 2001 "On state registration of legal persons, state record-registration of separated subdivisions, institutions of legal persons and individual entrepreneurs" (hereinafter referred to as "the Law"):

(1) in point 7, the words "in cases provided for by law — beneficial owners of legal persons" shall be supplemented after the words "and institutions,";

(2) it shall be supplemented with points 23-28 which read as follows:

"(23) **"beneficial owner"** shall mean a natural person, who:

a. controls or holds the total of at least 10 per cent participation in the authorised capital (share capital) of a legal person, including the stakes, shares, stocks or the right to vote or at least 10 per cent participation in the authorised capital (share capital) of the participating or shareholding legal persons of the given legal person, jointly with a an individual or affiliated person;

b. controls a legal person by virtue of having participation in authorised capital (share capital), by way of preferred stocks or voting stocks (shares, stake, hereinafter referred to as "stock") granting the right to more than one vote or other securities;

c. receives at least 15 per cent of the annual proceeds of a legal person;

d. is entitled to appoint or dismiss persons included in the management bodies of a legal person;

e. has the possibility of influencing the management of the legal person although not being included in the management bodies of a legal person, controlling management or the activity of the legal person or is entitled to otherwise predetermine the decisions of the legal person, including under a trust management contract, joint venture agreement, an option contract, stocks/shares lending agreement and other means.

In cases of holding, controlling a legal person or receiving income on the grounds defined under sub-points “a”, “b” and “c” of this point, the person with political influence shall be deemed to be a beneficial owner, irrespective of the amount of control, participation and income.

(24) **"person with political influence"** shall mean persons with the obligation to submit a declaration of interests as provided for by the Law "On public service" (except for investigators), persons holding the office of an adviser to the President of the Republic of Armenia, to the Chairperson of the National Assembly, to the Prime Minister, to Deputy Prime Ministers and ministers, adviser to diplomatic representatives of the Republic of Armenia and to the Secretary of the National Security Council, Senior Adviser to the Prime Minister and to the Ambassador-at-large, as well as the family members of the specified persons, that is, the spouse, the minor child (including adoptive child), the person under his or her guardianship or curatorship, each cohabiting adult.

(25) **legal persons shall be deemed to be affiliated**, where:

a. the given legal person holds, with the right to vote, 10 per cent and more of voting stocks of another person or 10 per cent of total participation in the authorised capital (share capital) of the participating legal persons of the given legal person, or — by virtue of its participation or in accordance with the contract concluded between the given persons — is able to predetermine the decisions of the other;

b. the participator (shareholder) and/or participators (shareholders) holding more than 10 per cent of the voting stocks of one of them or those able to otherwise predetermine its decisions in a manner not prohibited by law, or persons affiliated thereto are entitled to directly or indirectly hold (including on the basis of trade, trust management contract, joint venture

agreement, instruction or other transactions) more than 10 per cent of voting stocks of the other entity or 10 per cent of total participation in the authorised capital (share capital) of the participating legal persons of the legal person or are able to otherwise predetermine decisions of the other person in a manner not prohibited by law;

c. they have acted in agreement based on common economic interests.

(26) **natural and legal persons shall be deemed to be affiliated**, if they acted in agreement based on common economic interests, or if the given natural person or a member of his or her family is:

a. a participator holding more than 10 per cent of the authorised capital (share capital) of the given legal person or 10 per cent of total participation in the authorised capital (share capital) of the participating legal persons of the given legal person;

b. a person with the possibility of otherwise predetermining the decisions of the legal person in a manners not prohibited by law;

c. the chairperson of the Board, deputy chairperson of the Board, member of the Board, chief executive officer, deputy executive officer, chairperson of the Management Board, member of the Management Board or chairperson of the audit committee, a member of the audit committee or a member of other such bodies of the given legal person.

(27) **"affiliated persons"** shall mean the spouse of the person, the child (including adoptive child), parent (including the adopter), sister, brother, grandfather, grandmother, grandchild, aunt, uncle, the children of the sister, brother of the person or his or her spouse, the children of the aunt, uncle, the spouses of the sister, brother, children of the person holding a position.

(28) **"interim legal person"** shall mean any legal person operating in the company-beneficial owner chain.”.

Article 2. Article 26 of the Law shall be supplemented with parts 20-26 which read as follows:

"20. The following information regarding the beneficial owner shall be entered in the State Unified Register of Legal Persons in regard to the legal person with the duty to reveal the

beneficial owner as prescribed by law:

(1) data certifying the identity of the natural person — nationality, name, surname (the name and surname of the person shall also be indicated in Latin letters), date of birth, serial number of identification document, year, month, day of issuance, Public Service Number (if available), address of registration, address of the place of residence (if different from the address of registration), name of workplace (names of places), address of workplace (addresses of places), communication means;

(2) name(s) of interim legal person(s), address of location, taxpayer identification number (if available), state registration number, name, surname of the head of the executive body;

(3) information on availability of the right of ownership over a share in the authorised capital (share capital) of a legal person (including interim legal person) or on authorisation to carry out control over a legal person, by:

a. making an indication on at least 10 per cent participation in the authorised capital (share capital) of a legal person jointly with an individual or affiliated person or on the right to vote, or on holding 10 per cent of total participation in the authorised capital (share capital) of different legal persons, indicating the number of stocks, per cent of stocks and the date of acquisition;

b. making an indication on control over a legal person by virtue of having participation in the authorised capital (share capital), by way of preferred stocks or voting stocks with more than one vote or other securities, indicating the number of stocks, the per cent of stocks and the date of acquisition;

c. making an indication on benefit received in the amount of at least 15 per cent of the annual proceeds of the legal person;

d. making an indication on competence to appoint or dismiss persons included in the management bodies of a legal person;

e. making an indication on having an influence on the management of a legal person without being included in the management bodies of the legal person, the possibility of overseeing management or the activity of a legal person or of otherwise predetermining the decisions of the legal person (including by concluding transactions, based on a trust management contract, a joint venture agreement and by other means);

f. making an indication on acting as an affiliated person within the meaning of this Law (including indication of the capacity under which he or she acts as an affiliated person);

(4) name of the stock exchange in case a legal person, as well as its daughter and dependent companies are registered in the stock exchange, presenting the links to the documents available in the relevant stock exchanges;

(5) name of the State, community or international organisation, where a State, or a community has participation in the legal person or the legal person is an international organisation, respectively, by indicating the amount of participation and the level of control.

21. An indication on the beneficial owner of a legal person (including interim legal person) acting as a person with political influence in the Republic of Armenia shall be made in the State Unified Register of Legal Entities, indicating the name, surname of the given person, the position held, name of organisation of the given person.

22. Every year, the legal person with the duty to reveal the beneficial owner as prescribed by law, shall, prior to 20 February of the year following the reporting year, submit to the State Register a declaration(s) on beneficial owners, certifying the accuracy of the declared information by signature. In case of change in information provided for by part 20 of this Article, the legal person shall, within 40 days, be obliged to submit to the State Register the changed information on beneficial owners. If there is a right of ownership over a share in the authorised capital (share capital) of a legal person, documents certifying the right of ownership — in Armenian or certified and translated into Armenian — shall be attached to the declaration. In case of failure to submit the declaration prescribed in this part, or the changed information regarding beneficial owners,

in case of submitting false or incomplete information, the person having submitted it shall be subject to liability prescribed by law. The list of the information to be included in the declaration subject to publication (provision) shall be established by the Government.

23. The requirement of revelation of beneficial owners provided for by this Article shall not apply to legal persons acting as the reporting issuer, in accordance with the Law "On regulation of the securities market".

24. The form of the declaration provided for in part 22 of this Article, the procedure for completing and submitting the declaration shall be established by the Minister of Justice.

25. State registration of the beneficial owner of a legal person shall be carried out as prescribed in Chapter 9 of this Law. State registration of the beneficial owner of a legal person shall be confirmed by the excerpt issued by the State Unified Register which shall be sent to the e-mail address provided by the person, as well as shall become available on the Internet by entering the relevant password into the information system. Upon the request of the person and upon payment of the relevant fee in the amount prescribed by the Government of the Republic of Armenia, a person may be provided with the printed copy (copy) of the excerpt; in this case, authenticity of the copy shall be certified with the signature put on the copy by the relevant employee of the Agency.

26. The Legal Person shall maintain the documents certifying the information indicated in his or her declaration for 3 years following state registration of the beneficial owner.

27. In case the information is inaccurate or incomplete, the Register reports to the Authorized Body exercising liability measures for submitting a false or incomplete declaration."

Article 3. Article 39 of the Law shall be supplemented with part 3.1 which reads as follows:

"3.1 The following shall be submitted in case of entry of information regarding the beneficial owners of a legal person:

(1) declaration(s) regarding beneficial owners;

(2) if there is a right of ownership over a share in the authorised capital (share capital) of a legal person, documents certifying the right of ownership — in Armenian or certified and translated into Armenian — granted by a competent body (including foreign).

(3) document confirming payment of state duty ".

Article 4. In part 2 of Article 61 of the Law, the words ", information on a beneficial owner" shall be supplemented after the words "the legal person being under liquidation".

Article 5. Part 3 of Article 62 of the Law shall be supplemented with point 12.1 which reads as follows:

"(12.1) information on the beneficial owner prescribed in part 20 of Article 26 of this Law (in case of a legal person with the duty to reveal the beneficial owner as prescribed by law).".

Article 6. This Law shall enter into force on 1 March 2019.