

**LAW**  
**OF THE REPUBLIC OF ARMENIA**

Adopted by the National Assembly on 7 October 1996

**ON BANK SECRECY**

**Article 1. Subject matter of the Law**

This Law shall prescribe the information constituting bank secrecy, the legal grounds and procedure for disclosure, protection and provision of that information, the rights and obligations of the parties to the relationships arising from bank secrecy, as well as the liability for breaching the requirements of this Law.

**Article 2. Legislation on bank secrecy**

The relationships pertaining to bank secrecy shall be regulated by this Law, other laws, as well as other legal acts in cases and within the scope prescribed by law.

**Article 3. Scope of the law**

The provisions of this Law shall apply to the Central Bank of the Republic of Armenia (Central Bank), to the banks operating in the territory of the Republic of Armenia, including branches (divisional units) and representative offices thereof and of foreign banks, that operate in the territory of the Republic of Armenia (hereinafter referred to as “Banks”), as well as to all the natural and legal persons, entities lacking legal personality (hereinafter referred to as “persons”), which have received or have been notified of the information constituting bank secrecy as prescribed by this Law. In this

Law, unless the context otherwise requires, the term “bank” shall also include the Central Bank with regard to the liability prescribed by law as well.

This Law shall apply to the banks in liquidation, unless otherwise provided for by the liquidation peculiarities provided for by law.

(Article 3 supplemented by HO-228-N of 15 November 2005)

#### **Article 4. Bank secrecy**

1. Bank secrecy shall be deemed to be the customer account information which becomes known to the bank in the course of servicing customer, information on the operations made upon the instruction of the customer or for the benefit of the customer, as well as trade secret, information on any project or plans regarding its activity, invention, industrial design and any information thereon, which the customer has intended to keep confidential and the bank is aware or could have been aware of this intention.

2. Bank- and their customer-related information prescribed in the first part of this Article, which becomes known to the Central Bank with respect to the supervision of banks, shall be considered as bank secrecy. Banks shall be considered as the customers of the Central Bank.

#### **Article 5. Third parties**

Within the meaning of this Law, all parties other than the bank and its customer, shall be deemed as third parties, whereas the Central Bank, banks, credit organisations as prescribed by the Law of the Republic of Armenia “On credit organisations”, credit bureaus as prescribed by the Law of the Republic of Armenia “On circulation of credit information and activities of credit bureaus”, as well as the Deposit Guarantee Fund in cases prescribed by the Law of the Republic of Armenia “On guaranteeing the compensation of bank deposit of natural persons” shall not be considered as third parties.

The securitisation fund, the manager, seller, servicer of a securitisation fund prescribed by the Law of the Republic of Armenia “On asset securitisation and asset-backed securities”, as well as other persons providing securitisation services to the securitisation fund in regard with securitisation shall not be considered as third parties.

(Article 5 amended by HO-367-N of 29 May 2002, supplemented by HO-146-N of 24 November 2004, HO-98-N of 26 May 2008, HO-187-N of 22 October 2008)

## **Article 6. Disclosure of bank secrecy**

1. Disclosure of the bank secrecy shall be deemed the disclosure or dissemination of the information constituting banking secret through mass media or otherwise in oral or written form, its disclosure to the third party or parties, directly or indirectly enabling the third parties to obtain such information, *i.e.* to permit, fail to prevent or, as a result of violation of the privacy rules, make the disclosure possible, except for cases prescribed by Article 43 of the Law of the Republic of Armenia “On banks and banking”.

2. Disclosure or provision of information constituting banking secret by the bank to any persons and organisations providing legal, accounting, other advisory or representative services or carrying out certain works for the bank — provided that it is necessary for the provision of these services or carrying out these works, and that these persons and organisations should refrain from acts or omissions prescribed by Article 8 of this Law— shall not be considered as disclosure of bank secrecy.

3. The Central Bank shall disclose names of bad debtors holding large liability (liabilities) towards banks and/or a certain bank through press and/or other mass media every three months. Large debt provided for in this point shall mean an amount of AMD 20 million, or the liability equivalent to or exceeding such amount. For the purpose of implementing this part, the equivalence of foreign currency liability to the

liability in drams of the Republic of Armenia shall be determined according to the average exchange market rate and published by the Central Bank of the Republic of Armenia as of the last business day of the preceding quarter. The bad debtor provided for in this point shall be considered as the debtor who has breached the terms of the contract for a period of 180 days and more. Disclosure of information provided for in this point shall not be deemed as illegal disclosure of bank secrecy.

4. Disclosure of the decisions by the Central Bank of the Republic of Armenia and the delinquent bank — on violations of the laws or other legal acts by the bank and/or the executive officer of the bank and sanctions for these violations imposed on the bank and/or the executive officer of the bank by the Central Bank of the Republic of Armenia — shall not be considered as illegal disclosure of bank secrecy. It is prohibited to indicate the names of customers of the delinquent bank while disclosing the decisions on the sanctions.

(Article 6 supplemented by HO-48-N of 03 March 2004, HO-228-N of 15 November 2005, edited, supplemented by HO-112-N of 27 February 2007)

#### **Article 7. Prohibition on disclosure of bank secrecy**

1. Disclosure of the information constituting banking secret by a person, organisation, state authority or official person to whom this information was entrusted, who were informed of it during their service or work or who were provided with it in the procedure prescribed by this Law, shall be prohibited.

2. This Article shall not apply to the customers of the bank to the extent of disclosure of information that refers only to them, as well as to banks to the extent the information is provided to the Central Bank during the supervision of banks, as well as to the Deposit Guarantee Fund in cases prescribed by the Law of the Republic of Armenia “On guaranteeing the compensation of bank deposit to natural persons”.

3. With respect to a certain customer, information constituting banking secret may be disclosed upon the permission of the given customer provided in writing or orally in court. Upon the customer's permission, the information relating to only the customer concerned may be disclosed.

(Article 7 supplemented by HO-146-N of 24 November 2004, amended by HO-187-N of 22 October 2008)

#### **Article 8. Protection of bank secrecy**

1. Banks shall guarantee the protection of information constituting banking secret.

2. The executive officers of the banks, officers of the banks, or former executive officers of the banks or officers thereof, as well as persons and organisations that provide or had provided services (works) to the bank in the past shall be prohibited to disclose any information constituting banking secret that was entrusted thereto, or use it for their own or third parties' benefit directly or indirectly enabling the third parties to make use of it, *i.e.* to permit, fail to prevent or — as a result of violation of the privacy rules — make the disclosure of such information possible.

3. Banks shall be obliged to undertake the technical means and determine such organisational rules that are necessary to ensure proper protection of the information constituting banking secret.

4. The bank may disclose any information constituting banking secret relating to the customer before court, provided it is necessary for the protection of rights and lawful interests thereof, when a dispute has arisen between the bank and the customer concerned. In such a case, the court sitting shall be held *in camera*, upon the motion of either the bank or the customer.

**Article 9. Provision of bank secrecy**

1. Provision of the information constituting banking secret shall be the communication of such information orally or in writing to the state authorities, public officials and citizens only in the cases and on the grounds prescribed by this Law.
2. Persons or organisations, except for banks, that have been entrusted with the information constituting banking secret, or have been informed of it during their service or work, shall not be entitled to provide such information. The Central Bank shall not be entitled to provide the state authorities, public officials and citizens or any other person with any information constituting banking secret relating to the bank customers that becomes known to it as a result of bank supervision.

**Article 10. Provision of information constituting banking secret to criminal prosecution authorities**

(Title amended by HO-112-N of 27 February 2007)

1. Banks shall provide criminal prosecution authorities with the information constituting banking secret relating to the suspect or accused in a criminal case only based on the court decision, in compliance with this Law and the Criminal Procedure Code of the Republic of Armenia.
2. Upon receipt of the court decision, the bank shall be obliged to provide — within two banking days — the information and the documents required by the court decision to the criminal prosecution authority or to the person authorised thereby in a closed envelope signed— in the part of the envelope being closed— by the head of an executive body or a person substituting the head of the executive body. The bank shall be prohibited to inform the customers thereof about the fact that it provided information constituting banking secret relating thereto to criminal prosecution authorities.

3. The executive officer of the banks or officers thereof may not be interrogated in respect to the information constituting banking secret relating to the bank customer, except as prescribed by this Article and Articles 11, 12, and 16 of this Law.

(Article 10 edited, amended by HO-112-N of 27 February 2007, amended by HO-63-N of 19 March 2012)

**Article 11. Provision of information constituting banking secret to the court**

1. Banks according to this Law shall provide information constituting banking secret relating to their customers, who are parties in civil and criminal cases, only based on the court decision adopted as provided for by the Civil Procedure Code and the Criminal Procedure Code of the Republic of Armenia, as well as based on the effective civil or criminal judgement of the court on levying execution on the customer's bank account.

2. Upon receipt of the court decision, civil or criminal judgement, the bank shall be obliged to provide — within two banking days — the information and the documents required by the court decision, civil or criminal judgement to the court or to the person authorised by the court in a closed envelope and with the signature of the head of an executive body or a person substituting the head of the executive body on the part of the envelope being closed. During that period, the bank shall undertake necessary measures to inform the customer thereof on the bank's obligation to receive the court decision or the civil judgement rendered as provided for by the Civil Procedure Code of the Republic of Armenia and provide information constituting banking secret.

The bank shall be prohibited to inform the customers thereof on the fact of receiving the court decision or the criminal judgement rendered as provided for by the Criminal Procedure Code of the Republic of Armenia and of providing information constituting banking secret relating to the customer to the court or to the person authorised by the court.

(Article 11 edited, supplemented by HO-112-N of 27 February 2007, amended by HO-63-N of 19 March 2012)

**Article 11.1. Provision of information constituting banking secret to the Financial System Mediator**

The bank shall also provide information constituting banking secret to the Financial System Mediator, pursuant to this Law, where the latter examines the complaint against the given bank.

(Article 11.1 supplemented by HO-128-N of 17 June 2008)

**Article 12. Provision of information constituting banking secret to the heirs (legal successors) of the customers**

1. Banks shall provide information constituting banking secret relating to the customers to the heirs (legal successors) of the given customer pursuant to this Law, where the latter or the representatives thereof have presented sufficient documents substantiating the rights to inheritance (legal succession) of the persons concerned.
2. Upon receipt of the sufficient documents substantiating the rights to inheritance (legal succession) — within five banking days — the bank shall be obliged to inform the applicants — persons or organisations — of the insufficiency of documents submitted indicating the list of missing documents required, and in case of completeness of documents communicate — within ten banking days — comprehensive information the bank possesses with respect to the customer and provide all the documents thereto.
3. Any refusal by the bank to communicate information and provide documents or failure to provide such information or documents within the time period prescribed in compliance with this Article may be appealed before court. Damages caused to the



applicants — persons or organisations — as a result of failure to communicate information and provide documents within the time periods prescribed by this Law shall be subject to full compensation, where the refusal has been groundless or the time periods have been violated due to the fault of the bank.

**Article 13. Provision of information constituting banking secret to tax authorities**

Banks shall provide information constituting banking secret relating to their customers to the tax authorities of the Republic of Armenia in compliance with this Law based on the decision adopted as provided for by the Civil Procedure Code and the Criminal Procedure Code of the Republic of Armenia, as well as based on the effective civil or criminal judgement of the court on levying execution on the customer's bank account.

(Article 13 edited by HO-164 of 2 December 1997)

**Article 13.1 Provision of information constituting banking secret within the framework of combating money laundering and terrorism financing**

(Title edited by HO-118-N of 21 June 2014)

1. Where as a result of analysing the information prescribed by the Law of the Republic of Armenia “On combating money laundering and terrorism financing”, including information constituting banking secret, by the authorised body prescribed by the mentioned Law (within the meaning of this Article — “authorised body”) the authorised body comes to the conclusion that there are reasonable doubts about money laundering or terrorism financing, it shall submit a notification to the criminal prosecution authorities. Concurrently with the notification or later the authorised body

in addition to the notification may also submit— upon its own initiative — other information relating to the circumstances referred to in the notification to the criminal prosecution authorities.

In accordance with the Law of the Republic of Armenia “On combating money laundering and terrorism financing”, the authorised body shall — based on the inquiry of criminal prosecution authorities — provide information at its disposal, including information constituting banking secret, where the inquiry contains sufficient grounds for the doubt or the case of money laundering or terrorism financing.

Information constituting banking secret (including documents) may be provided to foreign financial investigation authorities by the authorised body as prescribed by the Law of the Republic of Armenia "On combating money laundering and terrorism financing".

(Article 13.1 supplemented by HO-14 of 14 December 2004, amended, supplemented by HO-84-N of 26 May 2008, edited by HO-118-N of 21 June 2014)

**Article 13.2. Provision of information constituting banking secret to the Credit Bureau**

1. Provision of information constituting banking secret to the Credit Bureau by banks and credit organisations shall not be considered as disclosure of bank secrecy.

(Article 13.2 supplemented by HO-187-N of 22 October 2008)

**Article 14. Circulation of information constituting banking secret among banks**

1. To ensure safety of activities thereof, as well as repayment of loans and other investments, as well as with the view to combating money laundering and terrorism financing, banks may exchange with each other or with credit organisations prescribed

by the Law of the Republic of Armenia “On credit organisations”, or may provide each other or credit organisations prescribed by the Law of the Republic of Armenia “On credit organisations” any information relating to their customers, even though it constitutes banking secret.

2. The Central Bank shall be entitled to obtain and familiarise themselves with the information on banks customers while executing supervision thereof, even though it constitutes banking secret.

(Article 14 supplemented by HO-367-N of 29 May 2002, amended by HO-48-N of 3 March 2004, supplemented by HO-118-N of 21 June 2014)

#### **Article 15. Scope of the information to be provided**

1. The bank shall provide information only relating to the customer thereof pursuant to Articles 10, 11, 12 and 13 of this Law; furthermore, where the names of other persons and organisations, terms of transactions (operations) and other similar data are indicated in the documents of a customer kept in the bank, the latter shall — within the meaning of this Article — be considered as customer-related information.

2. While providing information relating to the customer concerned as prescribed by this Law, the bank shall have no right to provide any information relating to the persons and organisations that are parties to the agreements or other transactions (operations) of the customer, unless they have been requested as prescribed by this Law.

#### **Article 16. Rejection of requests for providing bank secrecy**

The bank shall be obliged to reject provision of any information constituting banking secret, if such a request does not comply with the provisions of this Law.

**Article 17. Duty to report a crime**

1. Executive officers of the banks shall be obliged to report to the criminal prosecution authority on any planned or already committed crimes that are definitely known to them; moreover, information constituting banking secret and documents shall be provided to the criminal prosecution authority in accordance with Articles 10 and 11 of this Law. Banks officers shall be obliged to report in writing to the executive officers of the banks or even one of them on any planned or already committed crimes that are definitely known to them.

2. No article of this Law may be interpreted as a relief from liability under the Criminal Code of the Republic of Armenia for persons found guilty for concealing the traces of a crime or illegally obtained proceeds or failing to report on the crime.

**Article 18. Liability for violation the requirements of this Law**

Persons and organisations who were found guilty for violating Articles 7, 8, 10, 11 and 15 of this Law shall be obliged to compensate in full for the damages caused to the bank customer as a result of violation. Such violations shall entail a fine amounting from two thousand-fold to ten thousand-fold minimum salary and may carry criminal liability prescribed by law. The fine shall be imposed through judicial procedure.

**Article 19. Transitional provisions**

Until the new Criminal Procedure Code is adopted, the information constituting banking secret shall — in accordance with Article 10 of this Law— be provided only in relation to a person recognised as accused of crime, and based on a prosecutor's sanction of search warrant, pursuant to the Criminal Procedure Code in effect.

**President  
of the Republic of Armenia**

**L. Ter-Petrosyan**

14 October 1996,

Yerevan

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