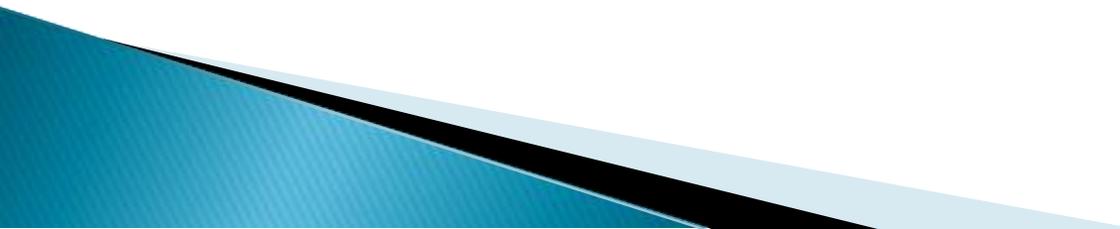


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BO disclosure

Experience of the Republic of Armenia

Start of the BO disclosure process

- ▶ March 9, 2017 Bogota
 - ▶ Armenia's EITI candidature application was approved
 - ▶ The EITI Board welcomes Armenia to the EITI family
- 

January, 2018 – Beneficial Ownership Roadmap for the disclosure of the beneficial owners of metal ore mining companies was adopted

March 29, 2018 – The roadmap was transformed into the Protocol Decision N12 of the RA Government "On Approval of the List of Measures Required for Disclosure of Beneficial Owners of Metal Ore Mining Companies of Armenia"

- ▶ In 2019 during the OGP Summit in Canada, Armenia signed a Declaration and joined the “Beneficial Owners Leadership Group” and committed to being a part of the development of the Beneficial Owners global standards and policy. By this step, the government confirms its political readiness to fight corruption in the international framework.
 - ▶ Ministry of Justice signed a memorandum of cooperation with the “Open Ownership” team, as a result, were developed standards and minimum requirements in accordance with international standards.
- 

Results of the 1st assessment

- ▶ On 9 July 2020, the EITI Board, as a result of 1st validation assessment of Armenia agreed that Armenia has made satisfactory progress in implementing the 2016 EITI Standard
- ▶ Thus, as of July 9, 2020 Armenia is the 9th country among the 53 EITI member countries to be granted the status of a country with satisfactory progress.

Assessments given by the "Open Ownership"

Armenia and Latvia have become the first countries to publish beneficial ownership data in line with Open Ownership's Beneficial Ownership Data Standard (BODS).

September, 2021 – Armenia and Latvia have been highly assessed with their experience of implementing global standards and requirements.

RA legislation development

- ▶ *Subsoil Code*
- ▶ *Amendments to the law 23.04.19*

- ▶ *Metal mining companies*

- ▶ requirement to submit a declaration on disclosure of information on beneficial owners
- ▶ requirement to submit a certificate on changes of beneficial owners to the authorized body

- ▶ Responsibility – suspension or termination of subsoil use rights

- ▶ Rejection of the application for consent for geological exploration

- ▶ Final date for submission of first declarations – November 30, 2019

- ▶ *Energy Law of RA*
 - ▶ *Amendments to the law*
 - ▶ *adopted – 17.04.2020*
 - ▶ *Came into force – 01.01.2021*

 - ▶ *License for the production of electricity, thermal energy or the combined production of electricity and thermal energy*

 - ▶ requirement to submit a declaration on disclosure of information on beneficial owners
 - ▶ requirement to submit a certificate on changes of beneficial owners to the authorized body

 - ▶ **Responsibility** – notice, afterwards suspension or termination of license

 - ▶ Rejection of the application for consent for geological exploration
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- ▶ *The Republic of Armenia law on state registration of legal entities, separated divisions of legal entities, institutions and individual entrepreneurs*
- ▶ *Amendments to the law – 03.06.2021*

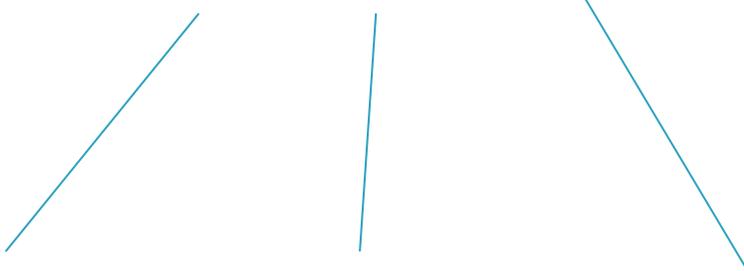
Definition of real beneficiaries

Participation – directly or indirectly owns more than 20% of the voting shares, stocks of the legal entity or directly or indirectly owns more than 20% in the authorized capital of the legal entity;

Control – exercises real (de facto) control over the legal entity by other means;

Management – is an official who carries out the general or current management of the activity of the legal entity in case there is no natural person meeting the above mentioned requirements.

Main obligations



*State registration
and regular
updates*

*Proper study and
Documentation*

*Maintenance of
documentation
and
Ensuring access
to competent
authorities*

▶ ***Obligations of legal entities:***

to carry out regular proper studies, not less than once a year, keeping all the documents related to the study,

to make inquiries to persons who are suspected in having beneficial ownership, as well as to the participants of the legal entity or the representatives of the participating legal entities, who may possess information on real beneficiaries of the legal entity,

to submit a declaration on its real beneficiaries to the Agency of the State Register of Legal Entities based on the results of the proper study

▶ ***Obligations of real beneficiaries:***

to inform the legal entity responsible for submitting the declaration about acquiring the status of real beneficiary or the changes related to them,

to provide information and documents necessary for the declaration.

▶ *Scope of legal entities*

Legal entities operating in the regulated sphere of public services, legal entities providing audio–visual media services – obligations arise from September 1, 2021

Limited liability companies with participation of physical persons, non–commercial organizations – obligations arise from January 1, 2023

Other legal entities – obligations arise from January 1, 2022

Declaration on real beneficiaries

Organization

Stock listing data

Involvement of a state, community or international organization

Information on real beneficiaries

Intermediate legal entities

Authorised body

- ▶ *Control*
- ▶ **Agency of the State Register of Legal Entities** carries out control in order to ensure the reliability of information about the real beneficiaries of legal entities.
- ▶ *Administrative liability*
- ▶ Agency, on its own initiative or on the basis of an application, may initiate proceedings in order to verify the compliance of the declaration of real beneficiaries with the requirements provided for by law, and in case of detection of a violation – apply the measures of administrative liability established by law.
- ▶ In case of non-fulfillment of the obligation to assure within the set timeframe the accuracy of the submitted declaration or the failure to submit updated information three years in row, as well as repeated or gross violation of the rules in any other way, the Agency may apply to the court with a request to liquidate the legal entity.

Administrative violations

- Failure to submit a declaration on time
- Submission in violation of law
- Incautious submission of incorrect or incomplete data
- Violation of the rules of proper study

Criminal offences

➤ Submitting false information or concealing the data to be submitted

➤ Submission of false information by a participant or real beneficiary or concealment of the data to be submitted or failure to respond to a request

- ▶ In February 2021, the open and publicly available electronic platform for information on real beneficiaries (owners) of state-registered legal entities was launched.
 - ▶ The declarations of real owners from 2021 are submitted under the mentioned system.
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THANK YOU !

