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## President Of Armenia Ratifies Bill On All Armenian Bank

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ArmInfo. President of Armenia Serzh Sargsyan ratified the Bill on the All Armenian Bank on January 17.

Central Bank Chairman Artur Javadyan declared that the bank will have a status of an open joint stock company. Central Bank and any other subject of the law will come out as the shareholder on behalf of the Republic of Armenia. It will become a universal development bank. The key goal of the bank will be to contribute to formation of the Diaspora potential based on knowledge and competition in the international market. The Bank will receive relevant license to function as a commercial bank. Armenian Central Bank will control over the activity of the All Armenian Bank. The authorized capital of the Bank is to be at least 5 billion drams, the standard for commercial banks in Armenia. The side of the authorized capital, which is envisaged at the level of 100 million dollars or 30 billion drams, will be defined in the Bank's business program. The share of the government in the authorized capital of the bank will be at least 20%, the remaining shares will be offered to representatives of business cycles, entrepreneurs, and ordinary citizens including non-residents. The Bank will have executive body and directorate. The head and the members of the Bank Council will undergo attestation by the Armenian CB. A. Javadyan said Central Bank of Armenia plans to approve 6 billion drams to the Bank on behalf of the Republic of Armenia. The bank will make investments only in profitable projects and compete with local commercial banks. The Bank will announce its programs at least on 1 November of each year. The program are to undergo relevant examination and data on the programs will be available at the Bank's website. The Bank will also get an opportunity to take big deposits. Management structures will be created at the bank on the basis of corporate management principles. The Bank's activity will meet the activity of local commercial banks. Thus, annual activity of the Bank is to undergo compulsory international audit. The Bank will also get opportunity to place funds in the securities market.

Governmental Council for Competitiveness will supervise the activity of the All Armenian Bank. The programs prior to the Council for Competitiveness and the Government will become prior also to the Bank. These are programs in the sectors of education, tourism, health care, science, finance and infrastructures. The Bank will receive also certain taxation privileges. In particular, it will be exempted from profit tax that will be used to implement business-project of Diaspora. In addition, the bank will pay state tax for registration and license. In this connection, alterations and amendments are proposed in the first reading to the Laws On Income Tax, On State Tax and On Banks and Banking Activity. A. Javadyan said the Bank will operate outside Armenia and finance projects by representatives of Armenian Diaspora. Projects in Armenia will be implemented with direct involvement of local commercial banks through syndicated loans. Thus, when implemented a 30 billion drams project, the Bank will provide 80% of funds, and commercial banks will allocate the remaining 20%. In the territory of Armenia the All Armenian Bank will not directly participate in financing of projects. The Bank will have branches in various states. The Bank will have 11 members that will receive award fees (if it is a foreign citizen) for travel and residence costs etc.. The members of the Bank will be Armenian prime minister, finance minister, economy minister, chairman of Central Bank, agricultural minister, minister of transport and communication and the most prominent representatives of Armenian Diaspora representing foreign business-cycles and banks. The bank's activity will be transparent. The bank will be found and registered in an accelerated regime within 3

months instead of usual 6-12 months required for registration of commercial banks.

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