



TK&PARTNERS

WEEKLY CLIENT ALERTS N 18

TABLE OF CONTENT

- 1. BILLS IN PARLIAMENT**
- 2. FINANCIAL SECTOR**
- 3. ARMENIAN APRICOT**

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BILLS IN PARLIAMENT

DISPUTING A FAVORABLE ADMINISTRATIVE ACT IS NO LONGER A GROUND FOR SUSPENDING ITS IMPLEMENTATION



Henceforth, being disputed by a person who is not the addressee of a favorable administrative act is not a ground for suspending the execution of the act. Upon entry into force of the above-mentioned regulation, the suspensions of the execution of the relevant favorable administrative acts on the basis of the lawsuits with the demand to completely or partially annul the administrative act shall be considered abolished.

Exceptions are the judicial acts' appealing, reviewing or cassation of completed cases at the time of entry into force of this regulation.

The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

We are happy to note that TK & Partners has also contributed to the initiation and drafting process of the legislative package.

Find more [here](#).

AUDIOVISUAL MEDIA

Henceforth, the status of audiovisual media service providers, operators, the procedure for authorization, licensing, issuance of permits thereof, submission of notices, as well as the grounds for the emergence of rights and responsibilities of relevant entities, the relations arising during the activity will be regulated by the RA Law on Audiovisual media.

Upon the entry into force of the Law, the RA Law on Television and Radio will be repealed.

The bill has been adopted by the National Assembly of the Republic of Armenia in the second reading.

Find more [here](#).

DRAFT ON MAKING CHANGES AND ADDITIONS TO THE RA LAW ON STATE DUTY

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The Ministry of Justice of the Republic of Armenia has submitted for public discussion a draft on making changes and additions to the RA Law on State Duty (hereinafter referred to as the "Draft"), which proposes to increase the current rates of state duty for applying to court on average up to 4 times.

The RA Ministry of Justice has conditioned the necessity of the regulations defined in the draft with the increase of socio-economic indicators and with the increase in costs required for the administration of justice.

Find more [here](#).

NEW REGIME FOR MAKING MANDATORY PENSION CONTRIBUTIONS AS OF JULY 1ST THIS YEAR

As of July 1st this year, a new regime is applicable for those employees whose monthly salary is more than 500,000 AMD.

Particularly, those employees shall make monthly contributions to their pension funds in the difference between 10% of their salary and 37,500 AMD, but not more than 64,500 per month. In this calculation the 37,500 AMD is paid by the government and the 64,500 AMD is connected to the maximum limit, according to which no mandatory pension contributions shall be made for the amount exceeding 15 folds (68,000 X 15= 1,020,000, 10% of which is: 102,000 AMD) of the minimal salary (102,000 – 37,500= 64,500).

This regime will apply until the end of this year.



FINANCIAL SECTOR

DERIVATIVE FINANCIAL INSTRUMENTS ENTERED INTO BY MANDATORY PENSION FUNDS

The Central Bank of Armenia's Board has adopted Regulation 10/32 "Types and Parties of Derivative Financial Instruments Entered into by Mandatory Pension Funds" in its session on July 17, 2020. The Regulation permits investment of assets of mandatory pension funds in any type of derivative financial instruments stipulated in Article 3 of the Law on Securities Market for hedging purposes. An investment in derivative financial instruments shall be considered to be made for hedging purposes, if:

- 1) it is aimed at total or partial reduction of the risks associated with management of investments of the fund;
- 2) there is a direct link between the object of hedging (the risk) and the derivative instrument being used; and
- 3) such investment stems from the investment policy of the fund, including – it is associated with the assets of the fund or those assets, wherein the fund is planning making investments.

As to parties of derivative financial instruments entered into by mandatory pension funds, as such may act:

- 1) financial organizations licensed by the Central Bank of the Republic of Armenia;
- 2) international financial organizations. These organizations shall be subject to the threshold for banks established in Article 39 (5) of the Law on Funded Pensions;
- 3) foreign financial organizations possessing at least the following rankings:
 - Standard and Poor's, group "BBB" BBB;
 - Moody's, group "Baa" Baa3;
 - Fitch, group "BBB" BBB.

At the same time, conclusion of derivative financial instruments between a mandatory pension fund and an international financial organization, which is not subject to licensing in or control by any state and has been established pursuant to an international treaty, shall not be considered as an investment made in a foreign state.

THE OFFICIAL CLARIFICATION OF THE BOARD OF THE CENTRAL BANK ABOUT DERIVATIVE FINANCIAL INSTRUMENTS CONCLUDED BY MANDATORY PENSION FUNDS



In addition to Regulation 10/32, with regard to derivative financial instruments concluded by mandatory pension funds, an official clarification of Articles 39 (1) and (15) and 68 (5) of the Law on Funded Pensions is has also been adopted by the Board of the Central Bank. The main lines of interpretation embodied in the official clarification are the following:

- currency swaps entered into by pension funds for the purpose of hedging currency risks are to be considered as investments expressed in foreign currency and taken into account for calculation of thresholds of such investments pursuant to Article 39 (1) of the Law on Funded Pensions;
- for calculation of the threshold associated with derivative financial instruments concluded with one person, as required under Article 39 (15) of the Law on Funded Pensions, the mark to market value of the derivative financial instrument shall be taken into account, while for calculation of the threshold associated with all derivative financial instruments entered into by the pension fund the market value of the underlying asset shall be taken into account;
- the prohibition of pledge of assets of pension funds set out in Article 68 (5) of the Law on Funded Pensions does not mean that pension funds cannot enter into the Credit Support Annex of the Master Agreement of International Swaps and Derivatives Association.

We are also happy to mention that both the Regulation and the official clarification have been adopted thanks to our law firm's efforts

CAPITAL MARKET DEVELOPMENT PROGRAM

On July 16 the Government approved the Capital Market Development Program, among purposes whereof are determination of development directions of the capital market and detection of problems. The first part of the document is a detailed analysis of the capital market, including the necessity of development of the market, instruments being offered and markets thereof, demand and structure of the market. The second part is focused on strategic directions of development of the capital market.

Find more [here](#).



ARMENIAN APRICOT

Armenian apricots are very famous within the tourists who have visited Armenia even once. Because once you've tried it you will never forget or confuse the taste of the Armenian apricot to any other type. Armenian apricot is considered to be one of the best-known symbols of Armenia, after Mount Ararat and pomegranate of course. Even the scientific name of this fruit – *Prunus Armeniaca*, honors that fact.



History of Armenian Apricot

Apricots were known in Armenia during ancient times, and have been cultivated here for so long that it is believed to have been originated in Armenia.

Many scientists suggest that Alexander the Great took apricots from Armenia to Greece, thus introducing it to the Mediterranean region.

Legend has it that apricot tree is the only tree that Noah brought down from the Ark and planted it in the new soil. The Great Flood destroyed many fruit trees, however, the apricot survived it.



Uniqueness of Armenian Apricot

Armenian apricots not only differ with their taste, but with their unique coloring as well. It is not exactly orange or yellow. Its color is called apricot, which is a mix of yellow, orange and pink colors. In ancient times Armenian kings and queens used special, festive dresses which were called “tsirani” as they had an apricot color. The name “tsirani” came from the word “tsiran”, which means apricot.

The kernels of apricot are edible, unlike the kernels of other fruits.

Children also love to make special whistles out of the kernels.



Armeian Duduk

It is not a coincidence that one of the most famous Armenian musical instruments is called “tsiranapokh” which means “apricot tree pipe”. Armenian duduk is made exclusively from apricot tree.

Duduk and its music were inscribed on the Representative List of the Intangible Cultural Heritage of Humanity in 2008.

Golden Apricot Film Festival

Golden Apricot is an annual film festival held in Yerevan.

The name of the film festival refers to the apricot, a fruit that is a popular symbol of Armenia.

The Festival is dedicated to the theme of Crossroads of Cultures and Civilizations, and features films representing various nations and religions, collectively depicting the richness of the human experience.

[Source](#)

