

Measures of combating money laundering and terrorism financing

Combating money laundering and terrorism financing (hereinafter: ML and TF) in Armenia is mainly regulated by the RA international agreements, RA law “On combating money laundering and terrorism financing” (hereinafter: Law), as well as other legal acts.

The purpose of the RA law “On combating money laundering and terrorism financing” is to protect the rights and interests of the citizens, interests of the country, rights and interests of the financial organizations by stating legal regulations counteracting the money laundering and terrorism financing, as well as to assure the existence of the legal mechanisms necessary for the stability of the economic system of the Republic of Armenia.

While providing services “Mellat bank” CJSC strictly observes the requirements of the RA legal acts directed to combating money laundering and terrorism financing.

The main purposes of the policy of combating money laundering and terrorism financing of “Mellat bank” CJSC are:

- 1) Revealing and analyzing the main ML and TF mechanisms and measures
- 2) Investment of effective system of combating ML and TF
- 3) Revealing and decreasing the possible and existing ML and TF risks.

The main objectives of the Bank for implementation of the main purposes of the policy of combating money laundering and terrorism financing of “Mellat bank” CJSC are:

- 1) To exclude the involvement of the Bank in the process of legalization of money gained criminally and terrorism financing or the legalization of money gained criminally and terrorism financing by the Bank
- 2) To assure the compliance with and implementation of the requirements defined by the Law, other legal acts adopted based on the Law, internal legal acts of the Bank by the employees of the structural subdivisions of the Bank
- 3) Submission of the information defined by the Law to the Authorized body /RA Central bank/ completely and in time
- 4) Application of the effective procedures of estimation of the possible and existing risks connected with legalization of money gained criminally and terrorism financing
- 5) Taking measures necessary for the implementation of the requirements of the main principles of combating ML and TF.

The main principles of the measures applied in the Bank for the realization of the purposes and implementation of the objectives defined by the policy of combating money laundering and terrorism financing of “Mellat bank” CJSC are:

- 1) Know your client

- 2) Awareness of the possible and existing ML and TF risks
- 3) Determination of suspiciousness of the transactions and business relations
- 4) Suspension of suspicious transactions and business relations, refusal or stop of implementation of transaction and business relation and freezing of property of persons connected with terrorism
- 5) Carrying out actions in the sphere of combating ML and TF in case of corresponding or similar relations with foreign financial institutions
- 6) Managements of ML and TF risks typical to transactions without face to face contact
- 7) Provision of information subject to reporting to the Authorized body
- 8) Training of employees responsible in the sphere of combating ML and TF
- 9) Supervision over combating ML and TF.