

*NON OFFICIAL TRANSLATION*

**GOVERNMENT OF THE REPUBLIC OF ARMENIA**

**DECISION**

No. 1007-N of 14 August 2008

**ON APPROVING THE PROCEDURE FOR ACCREDITATION OF INSTITUTIONS  
SPECIALISED IN QUALIFICATION OF AUDITORS**

In accordance with Article 30(1)(b) of the Law of the Republic of Armenia on Auditing, the Government of the Republic of Armenia decides to:

1. Approve, in accordance with the Annex, the procedure for accreditation of institutions specialised in qualification of auditors.
2. This Decision shall enter into force on the tenth day following the day of its official publication.

**Prime Minister of the Republic of Armenia**

**T. Sargsyan**

9 September 2008

Yerevan

**Annex**  
**to the decision of the Government of the**  
**Republic of Armenia No. 1007-N of 14 August**  
**2008**

**PROCEDURE**  
**FOR ACCREDITATION OF INSTITUTIONS SPECIALISED IN QUALIFICATION OF**  
**AUDITORS**

**I. GENERAL PROVISIONS**

1. This Procedure defines the procedure for accreditation of institutions specialised in qualification of auditors, and regulates the relations pertaining to accreditation of those institutions.
2. Accreditation of institutions specialised in qualifying auditors shall be the recognition - by the state - of compliance with the requirements set forth by the Law of the Republic of Armenia on Auditing and this Procedure for a non-governmental organisation established through membership of auditors and/or accountants and auditors having adopted rules of conduct in line with the international standards on audit conduct (hereinafter referred to as “non-governmental organisation”), resulting in granting a state accreditation certificate (hereinafter referred to as “certificate”).
3. The principles of accreditation shall be:
  - (1) establishment of a uniform procedure for accreditation;
  - (2) publicity of accreditation;
  - (3) assurance of legitimacy and transparency of the accreditation process;
  - (4) exercise of control over the observation of terms and conditions of accreditation.
4. The objectives of accreditation shall be:
  - (1) enhancing the quality of auditing services;
  - (2) improvement of the qualification process of auditors.
5. Accreditation of a non-governmental organisation shall be carried out by the state administration body authorised by the Government of the Republic of Armenia and responsible for licensing the activities of providing auditing services (hereinafter referred to as “the authorised body”).

6. The authorised body shall establish an accreditation commission for the purpose of giving opinions on granting accreditation to non-governmental organisations, on warning the accredited non-governmental organisation (hereinafter referred to as “the specialised institution”) or on suspension or withdrawal of a certificate.

7. In cases provided for by this Procedure, the authorised body shall adopt its decisions on the basis of an opinion of the accreditation commission. The authorised body shall be entitled to disregard the opinion of the accreditation commission. In this case the authorised body shall be obliged to justify, upon its decision, the reasons for disregarding the opinion of the accreditation commission. 8. Branches of a non-governmental organisation shall be accredited under general procedure, on the basis of the application from the non-governmental organisation.

## **II. PROCEDURE FOR GRANTING A CERTIFICATE**

9. The certificate shall be issued to the non-governmental organisation having submitted an application to the authorised body (hereinafter referred to as “applicant”), where concurrently:

(1) at least 15 auditors - having acquired qualification through the procedure defined by the legislation of the Republic of Armenia - are members to the applicant;

(2) the applicant has at least one year of experience in its activity;

(3) the applicant arranges examinations in accordance with the qualification examination programme of auditors - approved by the Government of the Republic of Armenia - or with the International Education Standards of the International Federation of Accountants (IFAC);

(4) the applicant assumes an obligation to:

a. provide to the authorised body, upon the request of the latter or in the manner provided for by the legislation of the Republic of Armenia, information necessary for licensing of auditing services and for the performance of the functions of the authorised body, as well as bear responsibility prescribed by law;

b. furnish the qualification commission with relevant documents and give necessary clarifications for the purpose of examining complaints from persons applying with respect to the issues on qualification of auditors;

c. in order to ensure fulfilment of requirements of regulatory legal acts on auditing, submit to the authorised body - within a three-month period after acquiring the certificate - the procedure approved by the applicant for conducting qualification examinations for auditors, the composition and charter of the qualification commission, and the examination questions and sample problems prepared within the scope of the programme approved by the Government of the Republic of Armenia.

10. For acquiring a certificate, the applicant shall submit to the authorised body the following documents:

- (1) an application indicating the name and the registered office of the applicant pursuant to Form No. 1;
- (2) copies of the charter and the state registration certificate of the applicant;
- (3) the general list of members having the right to vote in decision making process by the highest body of the applicant, pursuant to Form No. 2;
- (4) the copy of the decision of the applicant on adoption of rules of conduct in line with the international standards on conduct of an auditor;
- (5) procedures for observation of rules of professional conduct, continuous professional improvement, and disciplinary functions of members of the applicant.

11. The opinion on granting a certificate shall be issued by the accreditation commission within a 15-day period after filing the documents mentioned in point 10 of this Procedure with the authorised body. The accreditation commission shall examine issues through convening of sittings.

12. The accreditation commission shall publish information in the press - not later than five days prior to the sitting - about the venue and time of its regular sitting, and issues to be examined.

13. The accreditation commission shall - not later than seven days prior to the examination of issues - duly inform the applicant about the examination, by indicating the venue, date and time thereof.

14. Within the meaning of this Procedure, the notification shall be considered duly performed, where the documents have been sent by registered mail with acknowledgment of delivery, or by other means of communication enabling the formulation of communication, or has been delivered with a receipt.

15. The sittings of the accreditation commission shall have a quorum if attended by more than half of the members of the commission. The accreditation commission shall adopt decisions through secret ballot by simple majority of votes of members participating in the sitting. In case of a tie of votes, the decision shall be deemed adopted in favour of the applicant.

16. The person chairing the sitting of the accreditation commission or the person authorised by the former shall announce the issue to be examined, and persons invited to the examination; shall explain to the participants of the sitting their rights and duties; shall disclose the contents of the application and of other documents under examination.

17. The authorised body shall - within a 15-day period after filing the documents mentioned in point 10 of this Procedure with the authorised body - be obliged to grant a certificate in case of having no observations and objections with regard to the documents submitted by the applicant.

18. The certificate shall be granted in one copy and for an indefinite term. Acquisition, record keeping and maintenance of certificate forms shall be carried out by the authorised body. The certificate forms shall enjoy a level of protection defined by the Government of the Republic of Armenia for securities. These are documents subject to recording under stringent procedure and shall have a record keeping number. The layout of the certificate shall be approved by the authorised body. The following shall be indicated in the certificate:

- (1) the name of the authorised body;
- (2) the number of the certificate;
- (3) the date of granting the certificate;
- (4) the words “Accreditation Certificate of the Specialised Institution of Auditors”;
- (5) the full name and the registered office of the specialised institution;
- (6) the validity of the certificate – for an indefinite term;
- (7) the signature of the person authorised by the authorised body and the stamp of the seal thereof bearing the representation of the Coat of Arms of the Republic of Armenia.

19. The application for acquiring a certificate shall be rejected where:

- (1) documents submitted by the applicant are incomplete, obviously false or distorted;
- (2) the submitted documents do not comply with the requirements of the legislation of the Republic of Armenia, and of points 9 or 10 of this Procedure.

20. In case any of the grounds referred to in point 19 of this Procedure exist, the authorised body shall reject the application and shall duly notify the applicant about the reasons and legal grounds for rejection, not later than within a 15-day period.

21. In case any insignificant deficiencies (minor errors, inaccuracies of non legal character, arithmetic errors and other such omissions) exist in the application or accompanying documents, the authorised body may satisfy the application with a reservation that the certificate is granted to the applicant upon elimination of such deficiencies.

22. The decision of the authorised body on rejecting the application for acquisition of a certificate may be appealed against through judicial procedure.

23. In case of rejection of the application for acquisition of a certificate, the applicant shall have the right to submit a new application to acquire a certificate under the general procedure.

24. The certificate may not be transferred to other persons, alienated or pledged, except for cases provided for by law.

25. In case of loss (losing, destruction, etc) of the certificate, the specialised institution shall be obliged to give an announcement thereon through mass media and shall submit an application to the authorised body for acquiring a copy of the lost certificate. The copy of the lost certificate shall be issued by the authorised body within ten days upon submission of the mentioned application by the specialised institution.

26. In case the certificate is rendered unfit for use, the specialised body shall submit an application thereon to the authorised body to obtain a copy of the certificate. The authorised body shall issue a copy of the certificate that has been rendered unfit for use to the specialised institution within seven days following the submission of the application by the institution.

27. In case of loss of the copy of the certificate or in case it is rendered unfit for use, the copy of the certificate shall be issued by the procedure prescribed by points 25 and 26 of this Procedure respectively.

28. The copy of the certificate shall be marked with a word “Copy” in the upper right corner.

29. In case of change in its name or of its registered office, the specialised institution shall, within a 15-day period after such changes become effective, be obliged to submit an application for conversion of a certificate by enclosing the relevant documents verifying the mentioned information. The certificate shall be converted within a ten-day period after filing the application from the specialised institution with the authorised body.

30. The opinion of the accreditation commission shall not be required for conversion of a certificate, as well as for issuing a copy of the certificate lost or rendered unfit for use.

31. The authorised body shall maintain a register of certificates granted, all the pages whereof shall be numbered and sealed by the authorised body. The following shall be indicated in the register of certificates:

(1) the name and registered office of the specialised institution;

(2) the date and number of the decision of the authorised body on granting a certificate;

(3) the date of granting and the number of the certificate;

(4) information on conversion of certificate, warnings to the specialised institution, and withdrawal of a certificate.

32. The form of the register of certificates shall be approved by the authorised body taking into account the requirements defined by point 31 of this Procedure.

33. A separate file shall be maintained for each specialised institution. The separate file of the specialised institution shall be maintained by the procedure prescribed by the legislation of the Republic of Armenia.

34. In case of infringement of any of the conditions or requirements of the Law of the Republic of Armenia on Auditing or of points 9 or 29 of this Procedure, the specialised institution shall, in accordance with the opinion of the accreditation commission, be warned by the authorised body and shall be duly informed thereon. Revealing of unfaithful information in the documents submitted to the authorised body may also serve as a ground for warning.

35. The specialised institution shall, within a period of one month after being duly informed about the warning, be obliged to eliminate the violations having served as a ground for warning and inform thereon to the authorised body by submitting substantiating documents.

36. Where the specialised institution has committed such infringement of the requirements of law or this Procedure that have consequently created imminent threat to the national security or public safety, public order, lives, health or morals of individuals, as well as to the rights, freedoms, honour and good reputation of others, the authorised body shall be entitled to immediately (without convening a sitting of the accreditation commission) prohibit (suspend) temporarily the implementation of activities related to accreditation or separate functions or actions of that activity, by taking a decision thereon which shall enter into force from the day following the due notification of the specialised institution. Where the implementation of activities related to accreditation or separate functions or actions of that activity are prohibited by the authorised body pursuant to this point, the accreditation commission shall be obliged to discuss, within a period of one month, the issue on infringements committed by the specialised institution and take an appropriate decision.

### **III. WITHDRAWAL OF CERTIFICATE**

37. A certificate may be withdrawn:

(1) in case of liquidation or winding up of the specialised institution;

(2) upon the application of the specialised institution;

(3) in case of receiving a warning for the second time within one year after being warned pursuant to point 34 of this Procedure;

(4) in case of infringing the requirement of points 24 or 35 of this Procedure;

(5) in case of implementing activities or separate functions or actions of that activity prohibited by the authorised body pursuant to point 36 of this Procedure;

(6) in other cases provided for by law.

38. The certificate shall be withdrawn through repealing it. The certificate shall be considered withdrawn on the grounds provided for by point 37(1) of this Procedure from the day of liquidation of the accredited institution.

39. The application for withdrawal of a certificate on the grounds provided for by point 37(2) of this Procedure shall be examined by the authorised body within a 15-day period after the receipt thereof. Where the application is not examined within a 15-day period after the receipt thereof or no decision is adopted, the application shall be considered satisfied and the certificate shall be considered withdrawn. The application of the specialised institution for withdrawal of a certificate may be rejected where it is provided for by the legislation of the Republic of Armenia.

40. The certificate shall be considered withdrawn on the ground provided for by point 37(2) of this Procedure from the day of delivery of the decision of the authorised body to the specialised institution or from the day following the filing of the decision therewith, unless a later time limit is specified in the application of the specialised institution. The authorised body may define a later time limit than specified in the application for withdrawing a certificate where withdrawal of a certificate will result in imminent harm to the national security and public safety, public order, health and morals of the public, the rights and freedoms, honour and good reputation of others.

41. The certificate shall be considered withdrawn on the grounds provided for by sub-points (3) to (6) of point 37 of this Procedure from the day following the delivery of the decision of the authorised body to the specialised institution or the filing of the decision therewith.

**Chief of Staff**

**of the Government of the Republic of Armenia**

**D. Sargsyan**



**APPLICATION**  
**FOR ACCREDITATION OF THE INSTITUTION SPECIALISED IN QUALIFICATION OF**  
**AUDITORS**

\_\_\_\_\_  
(Name of the specialised institution)

\_\_\_\_\_

\_\_\_\_\_  
(Address of place of business )

\_\_\_\_\_

\_\_\_\_\_  
(E-mail, telephone number and fax )

\_\_\_\_\_

hereby applies to the Ministry of Finance of the Republic of Armenia  
for acquiring accreditation for the purpose of qualification of auditors.

\_\_\_\_\_  
(Name of the specialised institution)

\_\_\_\_\_

may perform the following functions:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

HEAD OF THE SPECIALISED INSTITUTION

\_\_\_\_\_

signature

\_\_\_\_\_

first name, last name

\_\_\_\_\_ 200\_

Place of Seal

**LIST**

of members \_\_\_\_\_  
(Name of the specialised institution)

N/N	First name, last name, patronymic name of the member	Residence address, telephone number	Number and date of granting the valid qualification certificate	Date of membership to the specialised institution	Number of the certificate verifying the membership to the specialised institution
1	2	3	4	5	6

HEAD OF THE SPECIALISED INSTITUTION

\_\_\_\_\_  
signature      first name, last name

Place of Seal