

**LAW OF THE REPUBLIC OF ARMENIA
ON COMPULSORY ENFORCEMENT OF JUDICIAL ACTS**

Adopted by the National Assembly on 5 May 1998

**CHAPTER 1
MAIN PROVISIONS**

Article 1. Scope of this Law

This Law establishes the conditions and procedures for ensuring compulsory enforcement of judicial acts of the courts of the Republic of Armenia (hereinafter referred to as “the courts”), as well as of awards of arbitral tribunals and decisions of the Financial Ombudsman.

This Law extends to the nationals of the Republic of Armenia, including sole entrepreneurs, legal persons, nationals and legal persons of foreign States, stateless persons, as well as to other entities as provided for in Article 7 of this Law, which act as parties to enforcement proceedings in accordance with judicial acts of the courts of the Republic of Armenia.

(Article 1 supplemented by HO-32-N of 4 February 2004, amended by HO-18-N of 16 December 2005 and HO-69-N of 25 December 2006, and supplemented by HO-69-N of 17 June 2008)

Article 2. Judicial acts subject to compulsory enforcement

The following shall be subject to compulsory enforcement:

- (1) judicial acts on civil cases, except for judicial acts on the merits of the case on declaring a legal person or a citizen bankrupt and on instituting competitive proceedings, as well as judicial acts of the Administrative Court of the Republic of Armenia, except for judicial acts on cases provided for in Chapter 24 of the Administrative Procedure Code of the Republic of Armenia;
- (2) court judgments and decisions on criminal cases in respect to fines, confiscation of property, and levy of execution on property;
- (3) awards of arbitral tribunals;
- (4) judgments and decisions on civil and economic cases of foreign courts and arbitral tribunals, as well as judgments and decisions on criminal cases of foreign courts in respect to compensation of damage and other levies of execution on property, in cases provided for by international treaties of the Republic of Armenia;
- (5) judgments and decisions of international courts to which the Republic of Armenia is a member (party), as well as awards and decisions on civil and economic cases of international arbitral tribunals;
- (6) decisions of the Financial Ombudsman.

(Article 2 supplemented by HO-221 of 11 September 2001, edited by HO-222 of 11 September 2001, edited and supplemented by HO-32-N of 4 February 2004, amended by HO-69-N of 25 December 2006, edited by HO-279-N of 28 November 2007, supplemented by HO-133-N of 17 June 2008)

Article 3. Judicial Acts Compulsory Enforcement Bodies

1. Compulsory enforcement of judicial acts in the Republic of Armenia shall be ensured by the Judicial Acts Compulsory Enforcement Service operating within the system of the Ministry of Justice of the Republic of Armenia (hereinafter referred to as “the Compulsory Enforcement Service”).

2. The tasks of the Compulsory Enforcement Service, the procedure for its formation and functioning, as well as the powers of judicial acts compulsory enforcement officers (hereinafter referred to as “compulsory enforcement officers”) shall be as defined by the Law of the Republic of Armenia “On the Judicial Acts Compulsory Enforcement Service” and by this Law.

Article 3¹. Legislation on compulsory enforcement of judicial acts

1. The legislation on compulsory enforcement of judicial acts comprises the Constitution of the Republic of Armenia, this Law, and other legal acts.

2. When arrangements concerning issues pertaining to compulsory enforcement of judicial acts are provided for by international treaties of the Republic of Armenia, the norms of these treaties shall also apply.

Where international treaties of the Republic of Armenia provide for norms other than those provided for by this Law, the norms of the international treaties shall apply.

(Article 3¹ supplemented by HO-32-N of 4 February 2004)

Article 4. Basis for applying compulsory enforcement measures

The basis for applying compulsory enforcement measures shall be the writ of execution issued in accordance with the procedure prescribed by this Law.

Article 5. Compulsory enforcement measures

Compulsory enforcement measures shall be:

- (1) levy of execution on property of the debtor by attachment and realisation thereof;
- (2) levy of execution on salary, pension, scholarship, and other types of income of the debtor;
- (3) levy of execution on the debtor’s monetary funds and other property held by other persons;
- (4) seizure from the debtor and passing to the claimant certain objects specified in the writ of execution;
- (4¹) applying a fine for failure to comply with the decisions of a compulsory enforcement officer;
- (5) other measures ensuring the enforcement of the writ of execution.

(Article 5 supplemented by HO-18-N of 16 December 2005)

CHAPTER 2
PERSONS PARTICIPATING IN ENFORCEMENT PROCEEDINGS

Article 6. Participants of enforcement proceedings

Participants of enforcement proceedings shall be the parties and/or their representatives.

Experts and translators may take part in enforcement proceedings.

Representatives of guardianship and curatorship authorities shall take part in the execution of enforcement actions:

- (a) when executing enforcement actions in connection with awarding child custody to one of the parties;
- (b) when carrying out enforcement actions concerning visits to a child, as appropriate.

(Article 6 supplemented by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 7. Parties to enforcement proceedings

Parties to enforcement proceedings shall be the claimant and the debtor.

The claimant is the citizen or legal person, the Republic of Armenia or community or foreign State, in favour or in the interests of whom a writ of execution has been issued.

The debtor is the citizen or legal person, the Republic of Armenia or community or foreign State, who, in accordance with the writ of execution, is obliged to perform certain actions or to refrain from performing them.

Two or more claimants or debtors may take part in enforcement proceedings. Each claimant or debtor shall, in enforcement proceedings, act on his own towards the other party. He may also assign the participation in enforcement proceedings to one of the co-participants.

(Article 7 supplemented by HO-32-N of 4 February 2004)

Article 8. Rights and responsibilities of parties in enforcement proceedings

1. During enforcement proceedings, parties shall have the right to:

- (1) enter into a settlement agreement;
- (2) assign to another person the rights under the writ of execution;
- (3) acquaint themselves with, and draw extracts from, materials of enforcement proceedings, get photocopies;
- (4) make motions;
- (5) take part in enforcement actions;
- (6) provide oral and written explanations, present arguments and observations on all emerging issues;
- (7) challenge motions, arguments, and observations of other persons taking part in enforcement proceedings;
- (8) file recusal motions;
- (9) appeal against actions of compulsory enforcement officer;
- (10) enjoy other rights vested in them by this Law.

2. During enforcement proceedings, parties shall be obliged to comply with the requirements of this Law.

Article 9. Succession of parties to enforcement proceedings

1. In case of withdrawal of one of the parties to enforcement proceedings (death of the citizen, reorganization of the legal person, assignment of the claim, and transfer of the debt), the compulsory enforcement officer shall be obliged to replace him with a successor determined by law, court judgment, or contract.

2. Actions taken during enforcement proceedings prior to the involvement of the successor in the case shall bind the successor in so far as they would bind the person replaced by the successor.

Article 10. Participation of representatives of parties in enforcement proceedings

1. Citizens may take part in enforcement proceedings in person or through their representatives. Participation of a citizen in enforcement proceedings shall not deprive him or her of the right to have a representative.

2. Participation of legal persons in enforcement proceedings shall be performed through bodies or officials thereof acting within the scope of powers vested in them by law or by the Statute of the legal person or through representatives.

Persons acting on behalf of a legal person shall be obliged to hold documents confirming their official status or powers.

2¹. Participation of the Republic of Armenia or a community in enforcement proceedings shall be performed in the manner prescribed by the Civil Code of the Republic of Armenia, by public administration or self-government bodies acting on behalf of the Republic of Armenia or the community, respectively, officials thereof, as well as by legal persons and citizens.

Foreign States shall take part in enforcement proceedings through the diplomatic representation or consular office in the Republic of Armenia of the State concerned, or otherwise as prescribed by the norms of international law.

3. Where the debtor is to perform such actions under the writ of execution, which he can perform only in person, he shall not have the right to act through a representative.

(Article 10 supplemented by HO-32-N of 4 February 2004)

Article 11. Formulation of representative's powers

Representative's powers must be approved by an authorisation issued and formulated in accordance with the law.

Article 12. Representative's powers

An authorisation for participating in enforcement proceedings shall empower the representative to take actions concerning enforcement proceedings on behalf of the represented party.

The following powers of the representative shall be expressly provided for in the authorisation issued on behalf of the represented party:

(1) submitting and withdrawing a writ of execution;

- (2) assigning powers to another person (reauthorisation);
- (3) receiving property and/or money levied in execution;
- (4) appealing against the actions of the compulsory enforcement officer.

Article 13. Legal representatives

1. In enforcement proceedings, the rights and legitimate interests of minors and of citizens who have been declared lacking active legal capacity or having limited active legal capacity shall be protected by their parents (adopters), guardians or curators, who shall submit documents confirming their status.

In enforcement proceedings where the citizen, who has been declared missing in the prescribed manner, should have taken part, his or her trustee shall act as a representative.

In enforcement proceedings where the heir of a deceased person or of a person declared deceased in the prescribed manner, should have taken part, the person appointed to maintain and manage the inherited property shall act as a representative of the heir, if no one has yet accepted the inheritance.

2. Legal representatives may assign their participation in enforcement proceedings to other persons.

Article 14. Participation of experts in enforcement proceedings

1. Compulsory enforcement officer shall have the right to appoint an expert (experts) to clarify issues emerging during enforcement actions and requiring special knowledge.

2. Compulsory enforcement officer shall take a decision on appointing an expert.

3. The expert shall render a written opinion.

4. The expert shall receive remuneration on account of expenses of enforcement proceedings.

Article 15. Recusing the expert

1. In case of circumstances giving rise to doubts as to the impartiality of the expert, the claimant or the debtor shall have the right to file a recusal motion.

2. The issue of the recusal of the expert shall be resolved by the compulsory enforcement officer.

3. The compulsory enforcement officer shall take a decision based on the findings of examination of the motion to recuse the expert.

Article 16. Participation of translators in enforcement proceedings

1. Parties that do not master Armenian shall have the right to invite a translator.

2. Services of the translator shall be paid by the inviting party.

3. The compulsory enforcement officer shall take a decision on appointing a translator.

(Article 16 supplemented by HO-18-N of 16 December 2005)

Article 16¹. Attesting witnesses in enforcement actions

1. Participation of attesting witnesses in enforcement actions in connection with opening, inspecting residences, buildings and premises belonging to the debtor, but occupied by other persons, as well as concerning seizure of property belonging to the debtor, but held by other persons, shall be mandatory.

2. At the initiative of compulsory enforcement officer, attesting witnesses may be invited in other cases as well.
 3. Attesting witness is an adult national of the Republic of Armenia having no interest in the enforcement proceedings, who is invited by the compulsory enforcement officer to take part in the performance of enforcement actions in order to verify the fact of performance, content, process, and results thereof.
 4. Attesting witnesses must be capable of fully and accurately comprehending the actions performed in their presence.
 5. Attesting witnesses shall be obliged to:
 - (1) provide — upon the request of the compulsory enforcement officer — information on their relations with a party to relevant enforcement proceedings;
 - (2) comply with lawful orders of the compulsory enforcement officer;
 - (3) not leave the place of relevant enforcement actions without the permission of the compulsory enforcement officer;
 - (4) sign the relevant protocol, making or not making comments thereon.
 6. Failure by an attesting witness to perform his or her duties shall result in liability provided for by law.
 7. Attesting witnesses shall have the right to:
 - (1) acquaint themselves with the relevant protocol;
 - (2) make comments to be included in the protocol, when acquainting themselves with the protocol.
- (Article 16¹ supplemented by HO-18-N of 16 December 2005)*

CHAPTER 3

GENERAL PROVISIONS ON THE WRIT OF EXECUTION

Article 17. Basis for issuing a writ of execution

The writ of execution shall be issued on the basis of:

- (1) judgments, decisions of courts and payment orders issued by courts;
- (2) awards of arbitral tribunals;
- (3) judgments and decisions of foreign courts and arbitral tribunals, in cases provided for by international treaties of the Republic of Armenia;
- (4) judgments and decisions of international courts (arbitral tribunals) to which the Republic of Armenia is a member (party);
- (5) decisions of the Financial Ombudsman.

(Article 17 supplemented by HO-32-N of 4 February 2004, edited by HO-18-N of 16 December 2005, amended by HO-69-N of 25 December 2006, supplemented by HO-133-N of 17 June 2008)

Article 18. Issuing a writ of execution

1. The writ of execution shall be issued by the first instance court having adopted the act, on the basis of the application of the claimant or his representative expressly authorised therefor.

2. The writ of execution shall be issued upon the entry into force of the judicial act, within a three day-period upon the day of receipt of the application, while in cases provided for by the Civil Procedure Code of the Republic of Armenia – without delay.

3. In cases provided for by international treaties of the Republic of Armenia, the writ of execution on enforcement of judgments and decisions of courts of foreign States shall be issued by the court of the Republic of Armenia, which has taken a decision, in the manner prescribed by the Civil Procedure Code of the Republic of Armenia, on the recognition in the Republic of Armenia of the judgment and decision of the court of the foreign State concerned.

If the judgment of a court of a foreign State is subject to enforcement in respect to compensation of damage or other levies of execution on property, the writ of execution shall be issued by the competent court of the Republic of Armenia, which has taken a decision, in the manner prescribed by the Criminal Procedure Code of the Republic of Armenia, on the recognition of the judgment in the Republic of Armenia.

4. Where an international treaty on the establishment of an international court to which the Republic of Armenia is a member (party) or rules of procedure thereof provide for the enforcement of its judgments or decisions, the writ of execution thereon shall be issued by the Court of Cassation of the Republic of Armenia immediately upon submission of the application of the claimant or his authorised representative, except for cases when the international court in question has issued, in the manner prescribed by its rules of procedure, a relevant writ of execution which is binding on the Republic of Armenia.

(Article 18 supplemented by HO-32-N of 4 February 2004, HO-279-N of 28 November 2007)

Article 19. Issuing a writ of execution for compulsory enforcement of awards of arbitral tribunals

1. Writs of execution for compulsory enforcement of awards of arbitral tribunals shall be issued by the First Instance Court of Kentron and Nork-Marash Communities of the Republic of Armenia.

2. The court shall examine the application of the claimant on issuing a writ of execution within a period of two weeks upon the day of receiving it. The claimant and the debtor shall, by means of certified letter, notification on delivery, or using other means of communication that ensure the formulation of communication, or delivery of a receipt (hereinafter referred to as “properly”), be notified about the time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.

3. The court shall take a decision based on the findings of examination of the application. The court shall have the right to refuse issuance of the writ of execution based on the grounds provided for by the Law of the Republic of Armenia “On commercial arbitration”.

4. In cases provided for by international treaties of the Republic of Armenia, writs of execution on enforcement of awards and decisions of arbitral tribunals of a foreign State shall be issued by the court of the Republic of Armenia, which, in the manner prescribed by the Civil Procedure Code of the Republic of Armenia, has taken a decision on the recognition in the Republic of Armenia of the award and decision of the arbitral tribunal of the foreign State concerned.

Writs of execution on enforcement of awards and decisions of international arbitral tribunals, subject to recognition in the Republic of Armenia, shall be issued by the Court of Cassation of the Republic of Armenia, which has taken a decision on the recognition of the award and decision in the Republic of Armenia, immediately upon the submission of the application of the claimant or his authorised representative.

(The title amended by HO-69-N of 25 December 2006)

(Article 19 supplemented by HO-32-N of 4 February 2004, amended by HO-118-N of 25 October 2004, amended and edited by HO-69-N of 25 December 2006)

Article 19.1. Issuing a writ of execution for compulsory enforcement of decisions of the Financial Ombudsman

1. Writs of execution for compulsory enforcement of decisions of the Financial Ombudsman shall be issued by the competent court as provided for by the Law of the Republic of Armenia “On the Financial Ombudsman”.

2. The court shall examine the application of the claimant on issuing a writ of execution within a period of three days upon the day of receiving it. The claimant and the debtor shall be properly notified about the time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.

3. The court shall take a decision based on the findings of examination of the application . The court shall have the right to refuse issuance of the writ of execution based on grounds provided for by the Law of the Republic of Armenia “On the Financial Ombudsman”.

(Article 19.1 supplemented by HO-133-N of 17 June 2008)

Article 20. Issuing several writs of execution upon a single judicial act

If the judicial act has been delivered in favour of several plaintiffs or against several respondents, relevant number of writs of execution shall be issued, each of which shall indicate the part of the judicial act, which is subject to enforcement under the writ of execution concerned.

Article 21. Content of the writ of execution

1. The writ of execution shall contain:

- (1) name of the court which has issued the writ of execution;
- (2) the case upon which the writ of execution has been issued and the number thereof;
- (3) date of rendering the judicial act subject to enforcement;
- (4) first name, last name, patronymic name of the parties (debtor and claimant); name of the legal person; addresses of residence (registered office); passport details of a citizen; social card number, if there is such; taxpayer registration number and number of state registration or of certificate of state registration of a legal person, except for cases provided for by law;
- (5) operative part of the judicial act;
- (6) date of entry into force of the judicial act;

(7) date of issuing the writ of execution and the time limit for submitting it for enforcement.

Where the court has adjourned the enforcement of the judicial act or has ordered its periodic partial enforcement before issuing the writ of execution, the writ of execution shall indicate its effective date.

2. The writ of execution shall be drawn up, signed, and endorsed by the seal of the court by the judge.

(Article 21 edited by HO-18-N of 16 December 2005)

Article 22. Adjourning or ordering periodic partial enforcement of the judicial act, altering the manner of, and procedure for, enforcement

1. Upon the claimant's or debtor's request, the court which has issued the writ of execution shall have the right to adjourn the enforcement of the judicial act or order its periodic partial enforcement, to alter the manner of, and procedure for, its enforcement.

The court may adjourn the enforcement of the judicial act or order its periodic partial enforcement, if the debtor is ready to provide the claimant with a security adequate for the claim, and it is obvious that there is no need for compulsory enforcement, as the judicial act will be enforced on a voluntary basis within a reasonable period.

2. Examination — by the court — on the merits of the application on adjourning the enforcement of the judicial act or ordering its periodic partial enforcement, altering the manner of, and procedure for, enforcement, shall not suspend the enforcement proceedings, including as a measure securing the claim.

3. The court shall examine applications on adjourning the enforcement of the judicial act or ordering its periodic partial enforcement, altering the manner of, and procedure for, enforcement within a period of ten days upon the day of receiving them. The claimant and the debtor shall be properly notified about the time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.

4. The court shall take a decision based on the findings of examination of the application.

5. The decision of the court may be appealed against.

(Article 22 edited by HO-193-N of 4 October 2005)

Article 23. The time limit for submitting the writ of execution for enforcement

1. The writ of execution may be submitted for enforcement within one year starting from the day when:

(1) the judicial act has entered into force;

(2) the arbitral tribunal has rendered an award;

(3) the period of adjournment of enforcement of the judicial act has expired;

(4) the court has taken a decision to restore the missed term for submitting the writ of execution for enforcement;

(5) the decision of the Financial Ombudsman has become binding on the parties.

2. Writs of execution on unsatisfied claims of claimants due to lack or insufficiency of property of citizens shall remain effective until their enforcement.

(Article 23 amended by HO-69-N of 25 December 2006, supplemented by HO-133-N of 17 June 2008)

Article 24. Restoration of missed term for submitting the writ of execution for enforcement

1. In case a citizen-claimant has missed — for an identified good cause — the term for submitting the writ of execution for enforcement, the court may restore it.
2. The claimant shall submit the application on restoring the missed term to the court which has issued the writ of execution. The court shall examine the application within a period of ten days upon the day of receiving it. The claimant and the debtor shall be properly notified about the time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.
3. The court shall take a decision based on the findings of examination of the application.
4. The decision of the court may be appealed.

Article 25. Issuing a copy of the writ of execution

1. In case of losing the original of the writ of execution, the court which has issued the writ of execution may provide a copy upon the application of the claimant.
2. The claimant shall submit the application on providing a copy of the writ of execution to the court which has issued the writ of execution. The application may be filed prior to the end of the time limit for submitting the writ of execution for enforcement. The court shall examine the application within a period of ten days upon the day of receiving it. The claimant and the debtor shall be properly notified about the time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.
3. The court shall take a decision based on the findings of examination of the application.

Article 26. Judgment enforcement remand

1. Where an enforced judgment has been reversed and a new judgment on fully or partially rejecting the action has been rendered, or the proceedings of the case have been struck out, or the action has been dismissed, the court shall render a judicial act on full or partial return of the property to the debtor in accordance with the new judicial act.
2. Where a not enforced judicial act has been reversed and a new judgment on fully or partially rejecting the action has been rendered, or the proceedings of the case have been struck out, or the action has been fully or partially dismissed, the court shall render a judicial act on terminating full or partial levy of execution under the reversed judicial act.

Article 27. Resolving the issue of judgment enforcement remand

1. The court which has rendered the new judicial act shall resolve the issue of judgment enforcement remand.

Where the court has not resolved the issue of remand of enforcement of the reversed judgment, the claimant shall have the right to apply to the court which has rendered the new judicial act.

2. The court shall examine the application on the remand of the judgment enforcement within a period of ten days upon the day of receiving it. The claimant and the debtor shall be properly notified about the

time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.

3. The court shall take a decision based on the findings of examination of the application.

4. The decision of the court may be appealed.

CHAPTER 4

GENERAL PROVISIONS ON ENFORCEMENT ACTIONS

Article 28. Decisions taken by compulsory enforcement officers during enforcement actions

1. During enforcement actions, compulsory enforcement officers shall take a decision.

2. The following shall be indicated in the decision:

(1) date and place of taking the decision;

(2) position and name of the compulsory enforcement officer which has taken the decision;

(3) enforcement proceedings under which the decision has been taken;

(4) matter under examination;

(5) grounds for the decision taken, with reference to the laws and legal acts which the compulsory enforcement officer was governed by;

(6) conclusion on the matter under examination;

(7) procedure and time limit for appealing against the decision.

3. The photocopy of the decision of the compulsory enforcement officer shall be properly served on the claimant and the debtor as well as on other persons and bodies as prescribed by this Law, not later than within a period of three days upon taking the decision.

The decision of the compulsory enforcement officer shall be properly served on the parties as provided for by the Civil Procedure Code of the Republic of Armenia, to the address indicated in the writ of execution or by each party.

4. The decision taken by the compulsory enforcement officer may be appealed against before the first instance court of the place of the marz subdivision of the Compulsory Enforcement Service or before the superior, within a period of ten days upon the day of receiving the decision.

5. Appealing against the decision of the compulsory enforcement officer shall not suspend the enforcement actions.

6. Decisions of the compulsory enforcement officer shall be abolished or amended on the basis of a court judgment or by the superior of the compulsory enforcement officer.

(Article 28 edited, amended, and supplemented by HO-222 of 11 September 2001, supplemented by HO-18-N of 16 December 2005)

Article 29. Recusing the compulsory enforcement officer

1. A compulsory enforcement officer may not take part in enforcement proceedings if there are circumstances giving rise to doubts as to his or her impartiality.

2. In case there are grounds provided for in point 1 of this Article, the compulsory enforcement officer shall be obliged to recuse himself or herself.

A recusal motion on the same grounds may also be filed by the claimant and/or the debtor.

3. Self-recusal or recusal motion must be filed in writing, be substantiated and filed before starting the enforcement actions, except for cases when the existence of the grounds for self-recusal or recusal has become known after starting the enforcement actions.

4. The issue of self-recusal or recusal of compulsory enforcement officer shall be resolved by the head of the marz (Yerevan city) division of the Compulsory Enforcement Service.

5. Based on the findings of examination of the issue of self-recusal or recusal of compulsory enforcement officer, the head of the marz division of the Compulsory Enforcement Service shall take a decision and properly serve it on the compulsory enforcement officer and the applicant.

6. The decision of the head of the marz division of the Compulsory Enforcement Service on rejecting the self-recusal or recusal motion may be appealed against before the first instance court of the place of the marz subdivision of the Compulsory Enforcement Service, within a period of ten days upon the day of receiving the decision.

7. In case of granting the motion of self-recusal or recusal of the compulsory enforcement officer, the head of the marz subdivision of the Compulsory Enforcement Service shall pass the writ of execution to another compulsory enforcement officer.

(Article 29 amended by HO-18-N of 16 December 2005)

Article 30. Instituting enforcement proceedings

Compulsory enforcement officer shall take a decision on instituting enforcement proceedings within a period of three days after the day of receiving the writ of execution from the claimant or his representative.

After instituting enforcement proceedings, the compulsory enforcement officer shall, in the manner established by the Minister of Justice of the Republic of Armenia, take a declaration from the debtor on the set and number of property owned by him and of his property rights, in case the debtor fails to fulfil the requirements of the writ of execution within ten days after instituting enforcement proceedings. The debtor shall also be obliged to provide information in the declaration on immovable property and vehicles owned by him and alienated during the last six months.

The debtor shall not file a declaration on the set and number of property owned by him and of his property rights, in enforcement proceedings of non-property nature, as well as in enforcement proceedings concerning levy of execution of property nature in the amount of up to AMD 50 000.

Non-disclosure or distortion by the debtor of data on the set and number of property owned by him and of his property rights, or maliciously evading to submit a declaration shall result in liability in the manner prescribed by law.

(Article 30 supplemented by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 31. Returning the writ of execution to the claimant

1. Where the received writ of execution does not meet the requirements provided for in Article 21 of this Law, or where the time limit for submitting it for enforcement has expired and there is no decision of the court which has issued the writ of execution on restoring the missed time limit, the compulsory enforcement officer shall return the writ of execution to the claimant.
2. The compulsory enforcement officer shall take a decision on returning the writ of execution within a period of three days upon the day of receiving it.
3. Returning the writ of execution to the claimant shall not be an obstacle for resubmitting it for enforcement after eliminating the contraventions made.

Article 32. Place of enforcement actions and transfer of enforcement proceedings

1. Enforcement actions shall be carried out in the place of residence (registered office) of the debtor or in the place of location of his property.
2. The writ of execution imposing specific performance on the debtor shall be executed in the place of the specific performance.
3. Enforcement proceedings may be transferred:
 - (1) from one compulsory enforcement officer to another by the head of the marz (Yerevan city) division or unit of the Compulsory Enforcement Service;
 - (2) from one marz division (unit) of the Compulsory Enforcement Service to another marz division (unit) by the Chief Compulsory Enforcement Officer.
4. More than one enforcement proceedings against the same debtor shall be centralised with the same compulsory enforcement officer.

(The title amended by HO-18-N of 16 December 2005)

(Article 32 supplemented by HO-18-N of 16 December 2005)

Article 33. Time for carrying out enforcement actions

1. Enforcement actions shall be carried out on working days, from 08:00 to 20:00. The exact time — within these limits — for carrying out enforcement actions shall be set by the compulsory enforcement officer. Parties shall have the right to propose time convenient for them for carrying out enforcement actions.
2. On non-working days, as well as at night, enforcement actions shall be permitted when:
 - (1) immediate enforcement is needed;
 - (2) at debtor's fault, their performance is not possible on other days and at fixed hours;
 - (3) in cases provided for in point 21 of this Article.

2¹. Enforcement actions may be continued after the time fixed for enforcement actions expires, if it is necessary to bring the commenced enforcement actions to the end.

3) *(Part 3 repealed by HO-18-N of 16 December 2005)*

(Article 33 amended and supplemented by HO-222 of 11 September 2001, supplemented and amended by HO-18-N of 16 December 2005)

Article 34. Time limit for carrying out enforcement actions

1. A time limit of two months is established for carrying out enforcement actions, except for cases provided for in the second and third paragraphs of this part. Periods of auctioning stage of enforcement proceedings, realisation of property through direct sale, search for the debtor or his property, as well as periods of adjourning or staying enforcement proceedings shall not be counted in the time limit of two months for carrying out enforcement actions.

Time limits for immediate performance may be established for performing enforcement actions as prescribed by law or other legal acts.

Levy of execution pertaining to salary, pension, other income, alimony obligations, as well as periodic enforcement actions of compulsory enforcement (visit to a child, etc.) shall be performed through periodic enforcement. In those cases, compulsory enforcement shall terminate upon the closure or striking out of the proceedings.

Upon the motion of the head of the marz (Yerevan city) division of the Compulsory Enforcement Service, the two month-period prescribed for performing enforcement actions may be extended for up to a period of two months by the Chief Compulsory Enforcement Officer of the Republic of Armenia.

3. For effective processing of proceedings requiring complicated and large-scale enforcement actions, a group of compulsory enforcement officers may be formed by the decision of the head of the marz (Yerevan city) division of the Compulsory Enforcement Service. The head of the group of compulsory enforcement officers shall be appointed by the head of the marz (Yerevan city) division of the Compulsory Enforcement Service.

(Article 34 supplemented by HO-222 of 11 September 2001, HO-349-N of 20 May 2002, edited by HO-18-N of 16 December 2005)

Article 35. Clarification of the writ of execution

1. In case the requirements indicated in the writ of execution are not clear, the compulsory enforcement officer shall have the right to apply to the court which has issued the writ of execution for its clarification.

2. The court which has issued the writ of execution shall examine the application of the compulsory enforcement officer within a period of ten days upon the day of receiving it. The compulsory enforcement officer, the claimant and the debtor shall be properly notified about the time and place of the court session. Their failure to appear shall not be an obstacle to the examination of the application.

3. The court shall take a decision based on the findings of examination of the application.

4. The decision of the court may be appealed.

Article 36. Adjournment of enforcement actions

1. Enforcement actions shall be adjourned when there are circumstances hindering the performance of the enforcement actions, until the elimination of such circumstances:

(1) at the initiative of the compulsory enforcement officer or upon the request of the parties, not more than once, for up to a period of two weeks;

(2) upon a court decision in accordance with the procedure prescribed in Article 22 of this Law, as well as when requiring early fulfilment of obligations by the pledgee - in accordance with Article 50 of this Law.

2. Enforcement actions shall be adjourned upon the decision of the compulsory enforcement officer.

(Article 36 edited by HO-18-N of 16 December 2005)

Article 37. Obligation of compulsory enforcement officers to stay enforcement proceedings

Compulsory enforcement officers shall be obliged to stay the enforcement proceedings when:

(1) *(Point 1 repealed by HO-18-N of 16 December 2005);*

(2) the debtor has been declared lacking active legal capacity;

(3) the debtor is taking part in military actions with armed forces and other troops, or there is a request of the claimant in similar conditions;

(4) the court has instituted an action on declaring the debtor bankrupt, or the Central Bank of the Republic of Armenia has declared the debtor-bank insolvent;

(5) an action has been brought before the court on lifting the attachment imposed on the property which has been levied in execution under the writ of execution;

(6) the court has taken a decision on staying the enforcement proceedings;

(7) there is an application of the parties on entering into a settlement agreement.

(Article 37 supplemented by HO-259 of 6 November 2001, amended by HO-18-N of 16 December 2005)

Article 38. Right of compulsory enforcement officers to stay enforcement proceedings

Compulsory enforcement officers shall have the right to stay the enforcement proceedings when:

(1) they have applied to the court which has issued the writ of execution for its clarification;

(2) they have ordered an expert examination;

(3) the debtor has been involved in the execution of a government assignment;

(4) the debtor-legal person is undergoing reorganisation;

(5) the debtor or his property is in search.

(Article 38 amended by HO-18-N of 16 December 2004)

Article 39. Procedure for staying and reinstating enforcement proceedings

1. Compulsory enforcement officers shall take a decision on staying and reinstating the enforcement proceedings.

2. Stayed enforcement proceedings shall be reinstated after the elimination of the circumstances resulting in its stay, on the basis of the claimant's request or at the initiative of the compulsory enforcement officer.

Article 40. Declaring search for the debtor and/or his property

1. In case of lack of information on whereabouts of the debtor and/or his property, the compulsory enforcement officer shall take a decision on declaring search for the debtor and/or his property.

2. The search for the debtor's property shall be performed by the Compulsory Enforcement Service in the manner prescribed by this Law. Search for the debtor's property shall not be performed for enforcement

proceedings of property nature targeted at satisfying a claim in the amount of up to AMD 50 000 as well as for enforcement proceedings of non-property nature, except for enforcement proceedings concerning levying of fines in execution and confiscation of property on criminal matters, alimony-related enforcement proceedings, and enforcement proceedings concerning levy of execution on salary and compensation of damage caused to life and health.

3. Search for the debtor's property shall be carried out by inquiries to the Real Estate Cadastre, State Register, depositary, tax, customs, and state automobile inspectorate authorities.

The Compulsory Enforcement Service shall send inquiries on the debtor's property to all commercial banks of the Republic of Armenia through special channels provided by the Central Bank of the Republic of Armenia, rules of operation whereof and of use of electronic mail shall be established by the Central Bank of the Republic of Armenia in agreement with the Ministry of Justice of the Republic of Armenia.

4. Search for a debtor-natural person shall be performed only in cases when his or her absence makes the performance of enforcement actions impossible.

Upon the relevant decision of the compulsory enforcement officer, search for a debtor-natural person shall be performed by the Police, as well as other persons and organisations holding an authorisation (licence) to carry out the relevant activities.

5. If the claimant (claimants) has information on the debtor's property or its whereabouts, he shall be obliged to inform the compulsory enforcement officer thereon in writing.

6. State bodies and other organisations shall be obliged to reply to inquiries of compulsory enforcement officers within a period of seven days, unless other time limit is established by law or other legal acts for replying to inquiries.

(Article 40 edited and amended by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 41. Closure of enforcement proceedings

1. The compulsory enforcement officer shall close the enforcement proceedings when:

(1) the claimant has submitted an application on returning the writ of execution;

(2) it is impossible to find out the whereabouts of the debtor or of his property, and all the measures — permitted by law — undertaken by the compulsory enforcement officer and/or the claimant have been in vain;

(3) the debtor doesn't have property or income which may be levied in execution, and the search carried out by the compulsory enforcement officer in the manner prescribed by Article 40(3) of this Law and/or all the measures — permitted by law — undertaken by the claimant to search for the debtor's property have been in vain;

(4) the debtor's property is not sufficient for satisfying the claims of the claimant (claimants);

(5) enforcement actions aimed at fulfilling the requirements of the writ of execution on securing the action have been accomplished;

(6) the claimant or debtor-citizen has died, and claims or obligations established by the judicial act may pass to his or her successor;

(7) due to lack or insufficiency of the debtor's property, debtor's salary, pension, and other income have been levied in execution, and regular payments are made for the benefit of the claimant.

2. The compulsory enforcement officer shall take a decision on closing the enforcement proceedings.

3. In case of closing the enforcement proceedings, the writ of execution shall be returned to the claimant, except for the case prescribed by point 5 of part 1 of this Article. Where enforcement proceedings are closed due to the death of the claimant-citizen, the writ of execution shall be returned to the heirs of the deceased upon their written request.

Closure of enforcement proceedings and returning the writ of execution to the claimant (his or her heir) shall not be an obstacle for submitting the writ of execution for new enforcement.

(Article 41 edited and supplemented by HO-18-N of 16 December 2005)

Article 42. Striking out enforcement proceedings

1. The compulsory enforcement officer shall strike out the enforcement proceedings when:

(1) the writ of execution has actually been enforced;

(2) the claimant has renounced the levy of execution;

(3) the claimant and the debtor have entered into a settlement agreement, and it has been approved by the court;

(4) the claimant or debtor-citizen has died, and claims or obligations established by the judicial act may not pass to his or her successor;

(5) *(Part 5 repealed by HO-18-N of 16 December 2005)*;

(6) the judicial act, based on which the writ of execution has been issued, has been reversed;

(7) the claimant has refused to accept the property seized from the debtor during the enforcement of the writ of execution and to be passed to the claimant;

(8) the debtor-legal person has been declared bankrupt by a court judgment;

(9) the debtor-legal person has been dissolved;

(10) the claim has been dismissed or rejected.

11. The compulsory enforcement officer shall send the decision of the compulsory enforcement officer on declaring the ownership of the State or community over immovable property or property requiring state registration of relevant rights, as well as the photocopy of the writ of execution to the body authorised by the Government of the Republic of Armenia or to the head of relevant community for carrying out state registration of rights by them. The compulsory enforcement officer shall take a decision on striking out the enforcement proceedings within three days after the day of sending the decision of the compulsory enforcement officer and the photocopy of the writ of execution to the state authorised body or head of community.

2. The compulsory enforcement officer shall take a decision on striking out the enforcement proceedings.

3. Struck out enforcement proceedings may not be reinstated, except for cases of abolition — through administrative or judicial procedure — of the decision of the compulsory enforcement officer on striking out the enforcement proceedings.

(Article 42 amended, edited, and supplemented by HO-18-N of 16 December 2005)

CHAPTER 5
LEVY OF EXECUTION ON DEBTOR'S PROPERTY

Article 43. General provisions on levy of execution on debtor's property

1. Levy of execution on debtor's property shall include attachment on the property, its seizure and forced realisation (auction or direct sale).

2. Levy of execution on debtor's property shall be effected in the amount required for fulfilling the requirements of the writ of execution, including enforcement expenses.

3. Levy of execution under the writ of execution shall firstly be performed on debtor's monetary funds.

In case of lack of monetary funds necessary for satisfying the claims of the claimant, levy of execution shall be performed on other property belonging to the debtor, except for the property which — according to the law — may not be levied in execution.

4. Levy of execution on the property of the debtor shall be performed in the following order:

(1) in case of debtor-legal person:

(a) fixed assets not directly involved in production,

(b) finished products,

(c) semi-finished products, including raw material, materials, intermediate products,

(d) other property (including immovable property);

(2) in case of debtor-natural person:

(a) movable property,

(b) immovable property.

Levy of execution on the property under each consequent category shall be performed only after levy of execution on the property under the preceding category. Without levy of execution on the property in the preceding category, levy of execution against the property in the subsequent category may be performed where it is obvious that the value of the property in the preceding category is insufficient for satisfying the claims.

If there are different types of property in the same category, the sequence of levy of execution on such property shall be determined by the compulsory enforcement officer.

5. Levy of execution on the share of the debtor participating in shared or joint ownership shall be performed in the manner prescribed by this Law.

6. Levy of execution on the share interest (stake) of the debtor in the share capital of an economic partnership or statutory capital of a company (share fund of a cooperative), as well as on the stake in a contractual investment fund belonging to the debtor shall be permitted only if other property of the latter is not sufficient for covering the debt.

7. Requirements for the form, submission procedure of, and conditions for, deposit account orders submitted to the depository (sub-depository) by the compulsory enforcement officer for imposing attachment on, seizure, and forced realisation of uncertificated government securities of the Republic of

Armenia belonging to the debtor shall be established by the Board of the Central Bank of the Republic of Armenia in agreement with the Ministry of Justice of the Republic of Armenia.

8. As regards the manager of a fund, who is a party to a fund management contract as provided for by the Civil Code of the Republic of Armenia, with respect to liabilities assumed by him or her under transactions regarding the management of the fund, the debtor's property, within the meaning of this Law, is the property of the relevant fund, except when, according to the provisions of the Civil Code of the Republic of Armenia or of other laws, liabilities assumed under such transactions are subject to execution exclusively at the expense of the property of the manager of the fund not deemed to be the means of the fund. Moreover, where the property of the fund is insufficient for the discharge of liabilities assumed by the manager of the fund under transactions regarding the management of the fund, the property of the manager of the fund not deemed to be the means of the fund shall be levied in execution only in cases provided for by the Civil Code of the Republic of Armenia.

(Article 43 edited by HO-18-N of 16 December 2005, supplemented by HO-78-N of 23 May 2006, HO-68-N of 18 May 2010)

Article 43¹. Entry into a residence or other premises by the compulsory enforcement officer for carrying out enforcement actions

For the purpose of carrying out enforcement actions (levy of execution, eviction settling, etc.), the compulsory enforcement officer shall have the right to unimpeded entry into to the residence or other premises owned by the debtor.

For the purpose of carrying out enforcement actions, the compulsory enforcement officer may enter the residence or other premises belonging to other persons upon the consent of the owner (temporary possessor) of that residence or premise. In case of absence of consent, the compulsory enforcement officer may enter the residence or premises upon an appropriate court order.

(Article 43¹ supplemented by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 44. Imposing attachment on debtor's property

1. Imposing attachment on the debtor's property or the property belonging to the plaintiff (claimant) and held by the debtor shall include its inventory taking, prohibition on disposal of the property and, where appropriate, restriction on the right to use, its seizure, and putting in storage.

Property belonging to the debtor referred to in Article 51 of this Law shall not be subject to inventory taking by the compulsory enforcement officer.

The compulsory enforcement officer shall determine types, scope, and conditions for restriction on a case-by-case basis, taking into account features of the property, its importance for the owner or possessor, and other circumstances.

2. Attachment shall be applied:

(1) with the purpose of ensuring the preservation and subsequent handing over to the claimant or realisation of the debtor's property or the property belonging to the plaintiff (claimant) and held by the debtor;

- (2) in case of execution of a court judgment on confiscation of debtor's property;
- (3) in case of execution of a court judgment on imposing attachment on the property belonging to the respondent and held by him or other persons.

3. Based on the circumstances of the enforcement proceedings, the compulsory enforcement officer shall be entitled to seize — together with attachment on the property — the property or its separate components.

Perishable property shall be seized and realised without delay.

Money, foreign currency, securities, precious metals and stones, jewellery as well as other items made of gold, silver, platinum and the platinum group metals, of precious stones and diamond, as well as their scraps or separate accessories of such jewellery, which have been detected during inventory taking of the debtor's property, shall be subject to mandatory seizure.

4. The compulsory enforcement officer shall take a decision on imposing attachment on the debtor's property.

5. The compulsory enforcement officer shall inform the claimant in writing on the time and place of inventory taking, at least three days before the inventory taking, except for enforcement proceedings for securing an action and those involving a claim of up to AMD 100 000. The failure of the claimant to appear shall not be an obstacle to inventory taking.

6. Means of a fund established based on the law and owned by the manager of the fund may be attached only for those liabilities of the manager which have arisen from actions regarding the management of the fund and are defined by that law.

(Article 44 supplemented by HO-349-N of 20 May 2002, HO-18-N of 16 December 2005, HO-68-N of 18 May 2010)

Article 44¹. Lifting attachment on debtor's property

Attachment on debtor's property under attachment shall be lifted upon the decision of the compulsory enforcement officer when:

- (1) grounds referred to in Article 42 of this Law exist;
- (2) the court has ordered to lift the attachment on the property;
- (3) the claimant has filed to withdraw the writ of execution.

(Article 44¹ supplemented by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 45. Protection of other persons' rights when imposing attachment on debtor's property

1. In case of controversy on the ownership of the property under attachment, the interested party shall have the right to bring an action on lifting the attachment on the property before the first instance court of the place of the property.

2. The action on lifting the attachment on the property may be brought both by its owner and legal possessor.

3. The action on lifting the attachment on the property shall be brought against the debtor and/or the claimant. Where attachment has been imposed on the property in relation to confiscation of property under a judgment, the convict and the relevant financial institution shall be involved as respondents.
4. The court shall hear the action on lifting the attachment on the property within a period of one month upon the day of accepting it.

Article 46. Procedure for levy of execution on debtor's monetary funds

1. The compulsory enforcement officer shall seize monetary funds in AMD discovered with the debtor and, not later than the next day following the seizure, shall deliver them to the bank, *i.e.*, to the deposit account of the marz (Yerevan city) division of the Compulsory Enforcement Service.
2. The compulsory enforcement officer shall impose attachment on monetary funds the debtor holds in his bank accounts and deposits, via electronic messages sent to the banks, the form of which shall be established by the Central Bank of the Republic of Armenia in agreement with the Ministry of Justice of the Republic of Armenia.

(3) (Part 3 repealed by HO-18-N of 16 December 2005)

4. In case the debtor holds monetary funds, the bank or other financial institution operating the debtor's accounts shall, within a period of three days upon receipt of the decision of the compulsory enforcement officer, transfer them to the deposit account of the marz (Yerevan city) division of the Compulsory Enforcement Service.

(5) (Part 5 repealed by HO-18-N of 16 December 2005)

(Article 46 amended and edited by HO-18-N of 16 December 2005)

Article 47. Procedure for levy of execution on debtor's foreign currency

1. The compulsory enforcement officer shall seize cash monetary funds in foreign currency discovered with the debtor and shall, not later than on the day following the seizure thereof, deliver them to the bank, *i.e.*, to the deposit account of the marz (Yerevan city) division of the Compulsory Enforcement Service, for sale.
2. The compulsory enforcement officer shall impose attachment on monetary funds in foreign currency the debtor holds in his bank accounts and deposits, via electronic messages sent to the banks, the form of which shall be established by the Central Bank of the Republic of Armenia in agreement with the Ministry of Justice of the Republic of Armenia.

(3) (Part 3 repealed by HO-18-N of 16 December 2005)

4. Not later than within a period of ten days upon the receipt of the decision of the compulsory enforcement officer, the bank or other financial institution shall transfer the money obtained from the sale of foreign currency to the deposit account of the marz (Yerevan city) division of the Compulsory Enforcement Service.

(Article 47 amended and edited by HO-18-N of 16 December 2005)

Article 47¹. Procedure for levy of execution on debtor's share in shared or joint ownership

1. Where the property constituting shared or joint ownership is movable and is not physically severable, the whole property shall be levied in execution in the manner prescribed by this Law. In case of direct sale of property, other participants to shared or joint ownership shall enjoy the right of first refusal towards the debtor's share.

When taking inventory of the debtor's property, the debtor shall be obliged to inform in writing the compulsory enforcement officer of those types of property which constitute shared or joint ownership, indicating the particulars of co-owners (first name, last name (name), place of residence (registered office)). The debtor shall also be obliged to submit documents certifying the right of ownership of co-owners.

The compulsory enforcement officer shall, finding out the existence of co-owners, not later than within one day upon taking a decision on direct sale of the property, based on the information (first name, last name (name), place of residence (registered office)) submitted by the debtor, properly serve the decision on direct sale of the property on those enjoying the right of first refusal. In case of not receiving information in writing on exercising the right of first refusal from participants of shared or joint ownership within a period of ten days upon the receipt of the decision, the property shall be realised in the manner prescribed by this Law. In case of failure to realise the property — from the first attempt — through direct sale in the manner prescribed by this Law, the right of first refusal shall not be effective when arranging any subsequent sale.

2. Where the property constituting shared or joint ownership is immovable, levy of execution shall be imposed on the share belonging to the debtor, in the manner prescribed by this Law.

3. Levy of execution against the share in the assets of a fund of a debtor participating in that fund shall be carried out through levy of execution on the stake in that fund belonging to him or her.

(Article 47¹ supplemented by HO-18-N of 16 December 2005, HO-68-N of 18 May 2010)

Article 47². Procedure for levy of execution on the means of a fund established based on law

Means of a fund established based on law and owned by the manager of the fund may be levied in execution only for those liabilities of the manager which have arisen from actions regarding the management of the fund and are defined by that law.

(Article 47² supplemented by HO-68-N of 18 May 2010)

Article 48. Passing the property indicated in the writ of execution to the claimant

In case of assigning a particular property indicated in the writ of execution to the claimant, the compulsory enforcement officer shall seize it from the debtor and pass to the claimant upon drawing up a protocol.

If the claimant refuses to accept the mentioned property, it shall be returned to the debtor, and the enforcement proceedings shall be struck out.

Article 49. Levy of execution on debtor's property held by other persons

Levy of execution on debtor's property held by other persons shall be carried out on general basis provided that documented data on property's ownership by the debtor exist.

Article 50. Levy of execution on pledged property

1. Levy of execution on the pledged property of the debtor for the purpose of satisfying claims not secured by a pledge on the debtor's property, shall be carried out only in case there is no other property.

In cases provided for in part 1 of this Article, the compulsory enforcement officer shall notify the pledgee on the court judgment, writ of execution, decision on imposing attachment on the pledged property, and on the amount of outstanding obligations of the pledgor.

In case of levy of execution on the pledged property of the debtor, the pledgee shall have the right to demand early execution of an obligation secured by a pledge. In case of satisfying — in the prescribed manner — the demand of early execution of an obligation, the claim of the pledgee from the value of that property shall be satisfied as a priority.

2. Where in case of levy of execution on the debtor's pledged property the pledgee does not demand early execution of an obligation secured by a pledge, following the forced auction of the property, the liabilities of the former pledgor shall pass to the new owner, and the property shall be deemed to be pledged with the pledgee.

(Article 50 edited by HO-18-N of 16 December 2005)

Article 51. Property that may not be levied in execution

The following items of property belonging to the debtor-citizen may not be levied in execution:

(1) used home appliances, clothing, footwear, linen, bedding and childrenwear, except for luxurious objects and those objects which are made of precious materials or carry historical or artistic value;

(2) objects, manuals, and books necessary for professional studies of the debtor, except for cases when the debtor has been deprived of the right to engage in a certain activity, and except for objects which are made of precious materials or carry historical or artistic value;

(3) pets (2 units), poultry (10 units), feeding stuff, seeds necessary for successive planting, of those people whose main occupation is agriculture;

(4) items of property having a value of up to AMD 5000, unless they make one single group;

(5) special transportation means for disabled persons.

(Article 51 supplemented by HO-18-N of 16 December 2005)

Article 52. Putting in storage debtor's property

The compulsory enforcement officer shall put in storage the attached property with the debtor, claimant, or other persons, upon an appropriate receipt.

(Article 52 edited by HO-18-N of 16 December 2005)

Article 53. Evaluation and realisation of debtor's property

Evaluation and realisation of debtor's property shall be carried out in the manner prescribed by the Law of the Republic of Armenia "On public bids".

(Article 53 edited by HO-18-N of 8 October 2003)

Article 53¹. Direct sale of property

1. Direct sale is the realisation of property to a specific buyer, which shall be carried out by the compulsory enforcement officer in accordance with the writ of execution.

2. Perishable property, property with considerable maintenance expenses (*e.g.* pets), cheap property, property requiring considerable investments to be made exploitable, property with limited circulation and with specific features, as well as used home appliances shall be realised through direct sale.

Within the meaning of this Law:

(a) perishable property comprises foodstuff, cosmetic products and perfume, medicine, medicinal products, medicament, household cleaning products and other similar products, the expiry date of which is less than one year at the time of sale;

(b) property with considerable maintenance expenses comprises pets and other animals as well as other similar goods usual monthly maintenance expenses of which exceed 10% of the property's value;

(c) cheap property comprises items of property having a value of up to AMD 5000, unless they make one single group;

(d) property requiring considerable investments to be made exploitable comprises half-ruined mechanisms, machines, the costs of which for making them exploitable usually exceed 30% of the property's value;

(e) property with limited circulation comprises the property identified as such by law;

(f) property with specific features comprises the property which interests a limited number of consumers with its consumer specifications;

(g) used home appliances comprise the objects intended for household use.

Immovable property, share interest (shares, stake), as well as property of cultural value shall be realised only through public bids.

Realisation of securities of accountable issuers that are debtors shall be carried out through public bids at stock exchange.

3. The compulsory enforcement officer shall take a decision on direct sale. The decision on direct sale shall be taken while taking inventory. The decision shall contain the name of the property, the price of direct sale, as well as time and place where the debtor or the claimant has the right to purchase the property in the manner prescribed by the second paragraph of part 4 of this Article.

The price of direct sale of the property shall be determined by the compulsory enforcement officer. Reasonable price for the relevant type of property anticipated from an ordinary participant in property turnover shall be set as the price of direct sale of the property.

The written decision on direct sale shall be delivered to the debtor in hand and, not later than within one day upon taking the decision, shall be properly served on the claimant (claimants). Where the claimant also participates in the inventory taking, the decision shall be delivered to him in hand.

If it is not possible to find the debtor, an appropriate protocol shall be drawn up and the decision shall be properly served on the address of the place of residence of the debtor or the address indicated in the writ of execution.

4. Within a period of two weeks following the delivery (sending) of the decision on direct sale, the parties or persons designated by them shall have the right to buy — at the prescribed time and place — the property at a price higher than the price set by the decision. In case of participation of more than one person in the direct sale of the property, the property shall be sold to the highest bidder.

If the parties do not buy the property within the prescribed period in the manner established by the first paragraph of this part, the compulsory enforcement officer shall sell the property at the price set by the decision on direct sale.

5. In case of failure to realise the property within a period of ten days in the manner prescribed by the second paragraph of part 4 of this Article, the compulsory enforcement officer shall set a new price for the property submitted for direct sale, shall inform the parties in the manner prescribed by this Article and shall perform the direct sale of the property in the manner prescribed by this Article.

(Article 53¹ supplemented by HO-157-N of 7 July 2005)

Article 53². State registration of rights over the debtor's realised property

Where a property has been realised through auction or direct sale, the rights over which are subject to state registration, sales contract shall serve as a basis for making necessary records in the state register of rights over property.

(Article 53² supplemented by HO-18-N of 16 December 2005)

Article 54. Realisation of debtor's property

(Article 54 repealed by HO-18-N of 8 October 2003)

Article 55. Distribution of the amount derived from the realisation of the property

(Article 55 edited by HO-222 of 11 September 2001, repealed by HO-18-N of 16 December 2005)

CHAPTER 6

LEVY OF EXECUTION ON DEBTOR'S SALARY AND OTHER TYPES OF INCOME

Article 56. Grounds for levy of execution on debtor's salary and other types of income

Levy of execution on debtor's salary and other types of income shall be carried out when:

- (1) the debtor has no property or the existing property is not sufficient to fully cover the amount being levied;
- (2) a judgment on levy of regular payments is being enforced.

Article 57. Procedure for calculating the amount of deductions from debtor's salary and other types of income

The amount of deductions from debtor's salary or other types of income shall be calculated based on the amount remaining after deducting taxes, duties, and other compulsory payments.

Article 58. Amount of deductions from debtor's salary and other types of income

1. In the enforcement of a writ (writs) of execution, not more than 50% may be deducted from debtor's salary and equivalent payments, until fully covering the amounts being levied in execution.

2. The restriction on the amount of deductions as established by point 1 of this Article shall not apply, when:

(1) alimony is being levied in execution;

(2) damage caused to health as well as damage resulting from the loss of the bread-winner is being compensated;

(3) damage caused as a result of a crime is being compensated.

In these cases, the amount of deductions may not exceed 75% of the salary and equivalent payments.

3. The rules established by this Article shall apply also in levy of execution on debtor's pension, scholarship, and royalties.

Article 59. Levy of execution on social allowances

Levy of execution on social allowances granted for temporary incapacity for work and unemployment may be imposed only when alimony and compensation amounts for the damage caused to health as well as the damage resulting from the loss of the bread-winner are being levied in execution.

Article 60. Monetary amounts that may not be levied in execution

Levy of execution under a writ of execution may not be imposed on monetary amounts which are paid:

(1) for compensation of damage caused to health as well as damage resulting from the loss of the bread-winner;

(2) for alimony obligations;

(3) *(Point 3 repealed by HO-34-N of 22 December 2006);*

(4) *(Point 4 repealed by HO-34-N of 22 December 2006);*

(5) as a state allowance;

(6) to persons or, in case of their death, to their family in case of acquiring a disability (getting wounded, contusion, injury) while on duty;

(7) as a compensation to persons working in harmful or extremely hard conditions;

(8) disabled persons;

(9) to the victim for supplementary foods, sanitary treatment, prosthetic repair, and his or her care;

(10) as a dismissal benefit in case of dismissal from office.

(Article 60 amended by HO-34-N of 22 December 2006)

Article 61. Procedure for levying in execution alimony and outstanding alimony amounts

The procedure for levying in execution alimony and outstanding amounts under alimony obligations, including in case of debtor's leaving for abroad on business or for permanent residence shall be as established by this Law and other legal acts.

(Article 61 amended by HO-18-N of 16 December 2005)

Article 61¹. Levy of execution under alimony obligations

Under enforcement proceedings on levying alimony in execution, debtor's property shall be levied in execution if he or she does not receive salary, pension, or does not have other income.

Under enforcement proceedings on levying alimony in execution, debtor's property shall be realised so that the funds derived from forced realisation of the property secure the satisfaction of the alimony claims for a period of up to three years, but not more than the end of the term for satisfying the alimony claims.

The amounts levied in execution shall be capitalised and transferred to the deposit account of the Compulsory Enforcement Service. Allocation of these amounts to the claimant shall be performed in the amount and intervals established by the writ of execution.

Where the claimant drops the claim in the prescribed manner prior to the full distribution of capitalised funds, or the alimony obligation has ceased on other grounds established by law, the funds remaining in the deposit account shall be returned to the debtor.

(Article 61¹ supplemented by HO-18-N of 16 December 2005)

CHAPTER 7

ENFORCEMENT OF WRITS OF EXECUTION ON DISPUTES OF NON-PROPERTY NATURE

Article 62. General conditions for the enforcement of writs of execution imposing an injunction on the debtor

After instituting enforcement proceedings based on the writ of execution imposing an injunction on the debtor, the compulsory enforcement officer shall set a time limit for complying therewith.

In case of failure to comply with these requirements within the set time limit, the compulsory enforcement officer shall arrange the enforcement of the writ of execution, by levying in execution— upon his or her decision — threefold of the actually incurred performance expenses from the debtor.

(Article 62 edited by HO-18-N of 16 December 2005)

Article 63. Enforcement of the writ of execution on reinstatement in employment

Enforcement of a writ of execution on reinstatement in employment shall be deemed to be completed upon actually authorising an illegally dismissed or transferred employee to perform his or her former official duties, which follows the publication of an order on abolishing the illegal order on dismissing or transferring the employee.

Article 64. Enforcement of a writ of execution on eviction

1. Eviction is the release of the building indicated in the writ of execution from evicted person (persons) and his (their) property and prohibition to use the released building.
2. The compulsory enforcement officer shall properly inform the debtor of the day and time of the forced eviction. Failure of a debtor properly informed about eviction to appear or impossibility to find out the whereabouts of the debtor shall not be an obstacle to the enforcement of the writ of execution.
3. The compulsory enforcement officer shall carry out eviction upon mandatory inventory taking of the debtor's property.

Where appropriate, the compulsory enforcement officer shall ensure the putting in storage of the debtor's property, by having the latter cover the costs incurred.

4. The compulsory enforcement officer shall draw up a protocol on the enforcement of the writ of execution on eviction.

(Article 64 edited by HO-18-N of 16 December 2005)

Article 64¹. Eviction from premises put on auction

When putting on auction residences, residential houses and other premises, the compulsory enforcement officer shall have the right to evict — prior to the holding of the auction and upon his or her decision — the debtor-owner occupying the residence, the residential house or premise, as well as those persons whose right to use is not registered in the manner prescribed by law.

At the request of the new owner of the residence, residential house, or other premises alienated through forced auction, the compulsory enforcement officer shall be obliged to evict —upon his or her decision — the debtor-owner occupying the residence, the residential house or premise, as well as those persons whose right to use is not registered in the manner prescribed by law.

(Article 64¹ supplemented by HO-18-N of 16 December 2005)

Article 65. Enforcement of a writ of execution on settling

1. Settling is the securing by the compulsory enforcement officer of the claimant's unimpeded entry to, and residence in, residential space indicated in the writ of execution.
2. The compulsory enforcement officer shall properly inform the debtor about the day and time of settling. Failure of a debtor properly informed about settling to appear or impossibility to find out the whereabouts of the debtor shall not be an obstacle to the enforcement of the writ of execution.
3. The compulsory enforcement officer shall draw up a protocol on the enforcement of the writ of execution on settling the claimant.
4. In case the debtor subsequently impedes the residence of the claimant through substantive infringement of the judicial act, the claimant shall have the right to file an administrative or judicial appeal against the decision on striking out the enforcement proceedings, not later than within one year upon the adoption of the decision on striking out the proceedings.

5. *(Part 5 repealed by Ho-222-N of 11 September 2001)*

(Article 65 amended by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

CHAPTER 8

ENFORCEMENT EXPENSES

Article 66. Expenses of carrying out enforcement actions

1. Expenses of carrying out enforcement actions are means spent by the compulsory enforcement officer for arranging and carrying out such actions as well as means spent by the parties to enforcement proceedings and other persons.
2. Expenses of carrying out enforcement actions are means that have been spent for:
 - (1) discovery, examination, imposing attachment, transportation, putting into storage, evaluation and realisation of the debtor's property;
 - (2) remunerating the experts;
 - (3) transferring to the claimant the amounts levied in execution;
 - (4) searching for the debtor and/or his property;
 - (5) carrying out other enforcement actions.

Article 67. Procedure for covering the expenses of carrying out enforcement actions

1. Enforcement actions shall be carried out at the expense of the means of the State Budget and means of the fund of the Compulsory Enforcement Service for material incentives and development of the system.
 2. Expenses of carrying out enforcement actions shall be levied from the debtor:
 - (a) in the amount of five per cent of the amount intended for satisfying the claim in the amount of AMD 100 000 and more in enforcement proceedings of property nature, and in the amount of five per cent of the property's value in case of delivery of property;
 - (b) in the amount of AMD 5000 in enforcement proceedings targeted at satisfying a claim in the amount of up to AMD 100 000 and in enforcement proceedings of non-property nature.
- No enforcement expenses shall be levied in alimony enforcement proceedings, enforcement proceedings on levy of execution on salary and on compensation of damage caused to life and health.
3. Levy of expenses of carrying out enforcement actions shall be carried out by the decision of the compulsory enforcement officer, except for cases prescribed by this Article.
 4. When actual expenses of enforcement actions under enforcement proceedings of non-property nature exceed AMD 5000, the overall actual expenses shall be judicially levied from the debtor.

Where the enforcement proceedings have been closed upon returning the writ of execution at the claimant's request, or where the enforcement proceedings have been struck out or closed based on the claimant's application, expenses of actually carried out enforcement actions shall be judicially levied from the claimant. The levied amount may not be less than one per cent of the amount subject to levy of execution.

5. Where the enforcement proceedings have been struck out as a result of refusal by the claimant to receive the property which had been seized from the debtor while enforcing the writ of execution on transferring to the claimant, the expenses of carrying out enforcement actions shall be levied from the claimant in the manner prescribed by part 2 of this Article.

6. Where the enforcement proceedings have been struck out as a result of the debtor's bankruptcy, expenses of actually carried out enforcement actions shall be levied from the debtor in accordance with the legislation governing legal relations in bankruptcy matters. These expenses shall be covered concurrently with judicial expenses.

7. Expenses of carrying out enforcement actions shall be transferred to the fund of the Compulsory Enforcement Service for material incentives and development of the system, the half of generated amounts of which shall be used for material incentives of officers and the other half - for enforcement expenses and system development. The procedure for using the means of the fund of the Compulsory Enforcement Service for material incentives and development of the system shall be established by the Government of the Republic of Armenia.

(Article 67 edited by HO-157-N of 7 July 2005)

Article 68. Advance payment by the claimant for expenses

1. With the purpose of securing the carrying out of enforcement actions, the claimant shall be entitled to make an advance payment — in the amount required for covering relevant expenses or a part thereof — to the deposit account of the marz division of the Compulsory Enforcement Service.

2. Upon completion of enforcement actions, the advance payment shall be returned to the claimant, if it was possible to levy the advance payment from the debtor.

(Article 68 edited by HO-222 of 11 September 2001, HO-157-N of 7 July 2005)

CHAPTER 9

DISTRIBUTION OF AMOUNTS LEVIED IN EXECUTION

Article 69. Procedure for distribution of the amount levied in execution

1. Distribution among the claimants of the amount derived from realisation of the debtor's property shall be performed by the compulsory enforcement officer.

2. The amounts levied from the debtor, as well as the amounts derived from realisation of debtor's property and from the value of property subject to confiscation shall be distributed in the following sequence in case of more than one claimant:

- firstly, claims secured by a pledge on the debtor's property shall be satisfied;
- secondly, judicial and enforcement expenses shall be covered;
- thirdly, the amount of the fine imposed on the debtor during compulsory enforcement shall be paid;
- fourthly, claims pertaining to alimony obligations, obligations to compensate damage caused to life or health, as well as obligations to compensate damage emanating from the commitment of a crime shall be satisfied;
- fifthly, claims for payment of remuneration under employment and copyright contracts and claims for compulsory social contributions resulting from their satisfaction shall be satisfied;
- sixthly, obligations towards the State Budget of the Republic of Armenia and community budgets, as well as obligations deriving from compulsory state social security contributions shall be satisfied;

- seventhly, claims of the rest of the claimants shall be satisfied in accordance with the sequence of submission of the writ of execution, except for cases provided for in this Article.

The claims in each category shall be satisfied only after fully satisfying the claims of the preceding category.

The claims of the writs of execution submitted on the same day by the claimants of the same category shall be satisfied proportionally to the amounts subject to satisfaction.

3. Where, at the time of submission of the writ of execution on levy of execution on debtor's property, it became clear, that before the day of submitting the writ of execution for enforcement, measures for securing the action have been applied to the property of the same debtor, only such property of the debtor to which no measures for securing the action have been applied may be levied in execution. Levy of execution may be performed on the property to which measures for securing the action have been applied, provided that the court has dismissed or rejected the action. Where the action — involving a claim to which measures securing the action have been applied — has been satisfied, and the party has submitted an appropriate writ of execution, claims of the claimant that has applied a measure for securing the action shall, while imposing levy of execution on the debtor's property, be satisfied firstly, if the claimants are considered to be claimants of the same category.

4. After satisfying all the claims of the claimants and levying enforcement expenses, the remaining amount shall be returned to the debtor.

(Article 69 supplemented by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 70. Bringing an action on debtor's bankruptcy before a court

1. In case of insufficiency of property — in two and more enforcement proceedings on legal persons and sole entrepreneurs, except for proceedings on levying state fees in the same cases — as against the amount of the claim (claims), the compulsory enforcement officer shall be obliged to bring an action before the economic court with a claim to declare the debtor bankrupt, within a period of 10 days upon the emergence of the relevant circumstance.

2. While deciding upon the insufficiency of the property as against the obligation in case of direct sale or auction of the debtor's property, the compulsory enforcement officer shall take as a basis the price established for direct sale of the property by this Law, whereas in case of auction - the set initial price.

3. Together with the application to declare the debtor bankrupt, the compulsory enforcement officer shall also submit the photocopies of required documents on evidence supporting the cause of action underlying the enforcement proceedings, as well as a statement on calculated expenses made during the enforcement actions.

(Article 70 supplemented by HO-222 of 11 September 2001, edited by HO-18-N of 16 December 2005)

Article 70¹. Satisfaction of claimant's claims in case of two or more judgments in respect to levy of execution of the same debtor

(Article 70¹ supplemented by HO-222 of 11 September 2001, repealed by HO-18-N of 16 December 2005)

CHAPTER 10

LIABILITY FOR VIOLATIONS COMMITTED DURING ENFORCEMENT PROCEEDINGS

Article 71. Binding nature of decisions of compulsory enforcement officers

Decisions taken by compulsory enforcement officers within the scope of their competences shall be binding on all state bodies, local self-government bodies, officials, organisations and citizens and shall be subject to execution throughout the whole territory of the Republic of Armenia.

Article 72. Liability for violations committed during enforcement proceedings

1. Compulsory enforcement officers shall have the right to apply administrative sanctions upon their decision in cases of intentional failure by citizens or officials to comply with the decision of the compulsory enforcement officer, creating obstacles to its execution or showing resistance, as well as concealing or distorting by the debtor of data in the declaration on the set and number of property owned by him and of his property rights, as well as in case of maliciously evading to submit a declaration.

2. Defaming compulsory enforcement officers in connection with the enforcement of a judicial act, as well as threats — to them or their relatives — of murder, causing harm to health, destroying or damaging property, or using violence against the compulsory enforcement officer shall give rise to criminal liability. In these cases, a motion shall be filed with the Prosecutor's Office for subjecting those responsible to criminal liability.

(Article 72 edited by HO-222 of 11 September 2001, HO-18-N of 16 December 2005)

Article 72¹. Levying fines imposed by compulsory enforcement officers

1. Fines imposed by compulsory enforcement officers shall be levied upon a court judgment.

The court shall examine the application of the compulsory enforcement officer on levying fines within a period of five days upon the day of receiving the application. The compulsory enforcement officer and the person subjected to a fine shall be properly notified about the time and place of the court session.

Court judgments on levying fines imposed by the compulsory enforcement officer may be appealed.

Where the enforcement proceedings have been struck out as a result of reversing the judicial act underlying the issuance of the writ of execution, the fines imposed in accordance with this Law shall not be levied and the levied fines shall be refunded from the State Budget.

(Article 72¹ supplemented by HO-222 of 11 September 2001)

Article 73. Liability for failure to execute the writ of execution by banks or other credit institutions

Failure by a bank or other credit institution operating debtor's accounts to fulfil the requirements on levying monetary funds from the debtor as indicated in the writ of execution shall serve as a basis for imposing by the compulsory enforcement officer a fine on the bank or credit institution in the amount of 50 % of the amount being levied in execution.

Article 73¹. Powers of the Prosecutor's Office in relation to the enforcement of a judicial act

1. Bodies of the Prosecutor's Office shall have the right to examine cases on enforcement proceedings on fines and property confiscation instituted based on court judgments on criminal matters, and, as a party, to get acquainted only with enforcement proceedings upon their actions.

2. The Prosecutor's Office shall be entitled to abolish the decision of the compulsory enforcement officer on closing the enforcement proceedings on fines and property confiscation instituted based on court judgments on criminal matters, within a period of one year upon taking the decision, where procedural violations as provided for by this Law have been committed while taking the decision.

The compulsory enforcement officer shall have the right to file a judicial appeal against the prosecutor's decision on abolishing the decision of the compulsory enforcement officer on closing the enforcement proceedings, within 15 days upon taking the decision.

(Article 73¹ supplemented by HO-18-N of 16 December 2005)

CHAPTER 11

**CARRYING OUT ENFORCEMENT ACTIONS AGAINST FOREIGN NATIONALS AND
LEGAL PERSONS, AS WELL AS STATELESS PERSONS RECOGNITION AND
ENFORCEMENT OF JUDICIAL ACTS OF FOREIGN STATES**

Article 74. Carrying out enforcement actions against foreign nationals and legal persons, as well as stateless persons

In compulsory enforcement of judicial acts in the territory of the Republic of Armenia against foreign nationals and legal persons, as well as stateless persons, the provisions of this Law shall extend to them, unless otherwise provided for by international treaties of the Republic of Armenia.

(Article 74 edited by HO-32-N of 4 February 2004)

Article 75. Recognition and enforcement of judicial acts of foreign courts and mediation courts

(Article 75 repealed by HO-32-N of 4 February 2004)

CHAPTER 12

FINAL AND TRANSITIONAL PROVISIONS

Article 76. Entry into force of this Law

This Law shall enter into force on 1 January 1999.

Article 77. Transitional provisions

(Article 77 repealed by HO-18-N of 8 October 2003)

Article 78. Organisation of bids

(Article 78 edited by HO-222 of 11 September 2001, repealed by HO-18-N of 8 October 2003)

Article 79. Communication on holding of an auction

(Article 79 edited by HO-222 of 11 September 2001, repealed by HO-18-N of 8 October 2003)

Article 80. Procedure for holding auctions

(Article 80 edited by HO-222 of 11 September 2001, repealed by HO-18-N of 8 October 2003)

Article 81. Consequences of violating the procedure for holding auctions

(Article 81 supplemented by HO-222 of 11 September 2001, repealed by HO-18-N of 8 October 2003)

Article 82. Declaring an auction as not having taken place

(Article 82 edited by HO-222 of 11 September 2001, repealed by HO-18-N of 8 October 2003)

Article 83. Recurring auction (auctions)

(Article 83 edited, amended, and supplemented by HO-222 of 11 September 2001, repealed by HO-18-N of 8 October 2003)

**President
of the Republic of Armenia**

R. Kocharyan

Yerevan
3 June 1998
HO-221