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LAW

OF THE REPUBLIC OF ARMENIA

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ON ACCOUNTING

CHAPTER 1

GENERAL PROVISIONS

Article 1. Objective of the Law

1. This Law shall prescribe the uniform basics for organising the process of accounting and account keeping, preparing and submitting general purpose financial statements (hereinafter referred to as “financial statements”), shall regulate other relations pertaining to accounting.

Article 2. Scope of the Law

1. This Law shall extend to legal persons having state registration in the Republic of Armenia (including institutions established thereby), branches and representative offices of foreign organisations (hereinafter referred to as "organisations"), as well as the groups prescribed by points 14-16 of part 1 of Article 3 of the Law.
2. This Law shall not extend to:
 - (1) the Central Bank;
 - (2) entities covered by the Law "On accounting of public sector organisations";
 - (3) the International Monetary Fund, the European Central Bank, the European Investment Bank, and other international organisations to which the Republic of Armenia is a member;
 - (4) investment funds.

Article 3. Main concepts used in the Law

1. The following main concepts shall be used in this Law:
 - (1) **accounting** — a system for collection, recording and aggregation of monetary information on the assets, own capital, liabilities and business operations, as well as on income and expenditures of an entity through a comprehensive and documented record of operations, other occurrences and events;
 - (2) **financial statements** — systematised presentation of the financial position and financial performance of an organisation;
 - (3) **International Financial Reporting Standards** (hereinafter referred to as "complete IFRS") — the standards issued by the International Accounting Standards Board (IASB) and put into effect (for entities provided for by part

2 of Article 4 of this Law — irrespective of such effect) in the territory of the Republic of Armenia pursuant to the Law "On regulation and public oversight of accounting and auditing", and their interpretations. Complete IFRS include:

- a. International Financial Reporting Standards (IFRS);
 - b. International Accounting Standards (IAS);
 - c. interpretations of the International Financial Reporting Interpretations Committee (IFRIC);
 - d. interpretations of the Standing Interpretations Committee (SIC);
- (4) **Conceptual Framework for Financial Reporting** — the conceptual framework for financial reporting as issued by the International Accounting Standards Board (IASB) and put into effect in the territory of the Republic of Armenia pursuant to the Law "On regulation and public oversight of accounting and auditing" (hereinafter referred to as "the Conceptual Framework");
- (5) **International Financial Reporting Standard for Small and Medium-sized Entities** — the international financial reporting standard for small and medium-sized entities as issued by the International Accounting Standards Board (IASB) and put into effect in the territory of the Republic of Armenia pursuant to the Law "On regulation and public oversight of accounting and auditing" (hereinafter referred to as "the IFRS for SMEs");
- (6) **entity of public interest** — an entity which:
- a. is a person making a public offer of securities or is a reporting issuer in the territory of the Republic of Armenia, except for the International Monetary Fund, the European Central Bank, the European Investment Bank and other international organisations to which the Republic of Armenia is a member, being a person making a public offer of securities or a reporting issuer;

- b. is a bank, a credit organisation, a payment and settlement organisation, an investment company, an operator of a regulated market, the Central Depository, an insurance company, a re-insurance company, an insurance brokerage company or an investment fund manager;
- (7) **large entity** — an entity which has exceeded at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up):
- a. the total sum of the report on the financial position (balance sheet) — 10 billion Armenian drams (hereinafter referred to as "AMD");
 - b. proceeds from activities — AMD 20 billion;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 250;
- (8) **medium-sized entity** — an entity which is not a small-sized entity or a micro-entity and has not exceeded at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up):
- a. the total sum of the report on the financial position (balance sheet) — AMD 10 billion;
 - b. proceeds from activities — AMD 20 billion;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 250;
- (9) **small-sized entity** — an entity which is not a micro-entity and has not exceeded at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up):

- a. the total sum of the report on the financial position (balance sheet) — AMD 2 billion;
 - b. proceeds from activities — AMD 4 billion;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 100;
- (10) **micro-entity** — an entity which has not exceeded at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up):
- a. the total sum of the report on the financial position (balance sheet) — AMD 175 million;
 - b. proceeds from activities — AMD 350 million;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 10;
- (11) **group** — the parent entity and its subsidiaries;
- (12) **parent entity** — an entity which controls one or more subsidiaries;
- (13) **subsidiary** — an entity which is controlled by another entity;
- (14) **large group** — a group which has exceeded — based on the principle of consolidation — at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up) of the parent entity:
- a. the total sum of the report on the financial position (balance sheet) — AMD 10 billion;
 - b. proceeds from activities — AMD 20 billion;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 250;

- (15) **medium-sized group** — a group which is not a small-sized group and has not exceeded — based on the principle of consolidation — at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up) of the parent entity:
- a. the total sum of the report on the financial position (balance sheet) — AMD 10 billion;
 - b. proceeds from activities — AMD 20 billion;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 250;
- (16) **small-sized group** — a group which has not exceeded — based on the principle of consolidation — at least two of the following three indicators as of the end of the reporting year (for which financial statements shall be drawn up) of the parent entity:
- a. the total sum of the report on the financial position (balance sheet) — AMD 2 billion;
 - b. proceeds from activities — AMD 4 billion;
 - c. the average annual number of employees calculated as prescribed by the Statistical Committee — 100;
- (17) **expert accountant** — a natural person who is a member of a specialised institution and has a qualification of an expert accountant;
- (18) **auditor** — according to the definition included in the Law "On auditing";
- (19) **professional code of ethics for professional accountants** (hereinafter referred to as "Professional Code of Ethics") — according to the definition in the Law "On auditing";

(20) **specialised institution** — according to the definition included in the Law "On regulation and public oversight of accounting and auditing".

2. As an alternative, the indicators mentioned in sub-points "a" and "b" of points 14-16 of part 1 of this Law may be calculated not based on the principle of consolidation, but through the arithmetical addition of relevant indicators. In this case, the upper limits of the indicators mentioned in sub-points "a" and "b" shall increase by 20 per cent, respectively.

Article 4. Body implementing policy in the field of accounting

1. The body implementing policy in the field of accounting (hereinafter referred to as "the body implementing policy") in the Republic of Armenia shall be the Ministry of Finance, pursuant to the Law "On the structure and operation of the Government".
2. The body performing regulatory functions in the field of accounting for banks, credit organisations, organisations carrying out pawnshop activities, payment and settlement organisations, investment companies, an operator of a regulated market, the Central Depository, insurance companies, re-insurance companies, insurance brokerage companies and investment fund managers shall be the Central Bank, jointly with the body implementing policy.

Article 5. Legal acts regulating accounting

1. Legal acts regulating the accounting of an entity of public interest and a large entity shall include:
 - (1) this Law;
 - (2) the Law "On regulation and public oversight of accounting and auditing";

- (3) the complete IFRS and the Conceptual Framework;
 - (4) the Model Chart of Accounts for the accounting of financial and economic activities of entities of public interest and large entities, elaborated on the basis of the complete IFRS, and the Directive on Application of the Model Chart of Accounts, as well as illustrative financial statements;
 - (5) other legal acts regulating accounting.
2. Legal acts regulating the accounting of a medium-sized entity and a small-sized entity shall include:
- (1) this Law;
 - (2) the Law "On regulation and public oversight of accounting and auditing";
 - (3) the IFRS for SMEs;
 - (4) the Model Chart of Accounts for the accounting of financial and economic activities of small-sized entities and medium-sized entities, elaborated on the basis of the IFRS for SMEs, and the Directive on Application of the Model Chart of Accounts, as well as illustrative financial statements;
 - (5) other legal acts regulating accounting.
3. Legal acts regulating accounting of micro-entities shall include:
- (1) this Law;
 - (2) the Manual on Account Keeping and Preparing Financial Statements for Micro-Entities;
 - (3) the Model Chart of Accounts for the accounting of financial and economic activities of micro-entities, elaborated on the basis of the Manual on Account Keeping and Preparing Financial Statements for Micro-Entities, and the Directive on Application of the Chart of Accounts.

4. For the purpose of account keeping and preparing financial statements, a medium-sized entity and a small-sized entity may, upon own discretion, apply the legal acts indicated in part 1 of this Article, but they may not apply the legal acts indicated in part 3 thereof.
5. For the purpose of account keeping and preparing financial statements, an entity of public interest and a large entity may not apply the legal acts indicated in parts 2 and 3 of this Article.
6. For the purpose of account keeping and preparing financial statements, a micro-entity may, upon own discretion, apply the legal acts indicated in parts 1 and 2 of this Article.
7. The entities referred to in part 2 of Article 4 of this Law shall be obliged to apply the complete IFRS and the Conceptual Framework within the time limits prescribed by the International Accounting Standards Board (IASB), irrespective of the fact whether they are translated into Armenian or not.

Article 6. Regulation of accounting

1. The Public Oversight Council prescribed by the Law "On regulation and public oversight of accounting and auditing" (hereinafter referred to as "the Public Oversight Council") shall ensure elaboration of the following draft legal acts:
 - (1) the Model Chart of Accounts for the accounting of financial and economic activities of entities of public interest and large entities, and the Directive on Application of the Chart of Accounts;
 - (2) illustrative financial statements of entities of public interest and large entities;
 - (3) the Model Chart of Accounts for the accounting of financial and economic activities of medium-sized entities and small-sized entities, and the Directive on Application of the Chart of Accounts;

- (4) illustrative financial statements of medium-sized entities and small-sized entities;
 - (5) the Manual on Account Keeping and Preparing Financial Statements for Micro-Entities;
 - (6) the Model Chart of Accounts for the accounting of financial and economic activities of micro-entities, and the Directive on Application of the Chart of Accounts;
 - (7) other regulatory legal acts provided for by this Law.
2. The Public Oversight Council shall ensure the translation of complete IFRS, the Conceptual Framework, the IFRS for SMEs, as well as amendments and supplements made thereto, and their official publication.
 3. The legal acts referred to in parts 1 and 2 of this Article shall enter into force pursuant to the Law "On regulation and public oversight of accounting and auditing".

CHAPTER 2

ORGANISING OF ACCOUNTING AND ACCOUNT KEEPING

Article 7. Account keeping

1. All entities (including those undergoing a process of insolvency or liquidation) shall be obliged to keep accounting.
2. An entity shall be obliged to keep accounting via the computer software that provides the opportunity to keep accounting records in compliance with the

requirements of the legislation regulating the field of accounting, where the amount of the gross income for the preceding year, calculated in compliance with the Tax Code of the Republic of Armenia, has exceeded AMD 500 million.

3. The procedure for determining compliance of the computer software referred to in this Article with the requirements of the legislation regulating the field of accounting shall be established by the Government.
4. The requirements prescribed by part 3 of this Article shall not relate to banks, credit organisations, organisations carrying out pawnshop activities, payment and settlement organisations, an operator of a regulated market, the Central Depository, re-insurance companies, insurance brokerage companies, investment fund managers, insurance companies and investment companies, for which the requirements for introduction of automated accounting systems shall be prescribed by the Central Bank.
5. Accounting of an entity shall be maintained in observance of the requirements of the Law "On combating money laundering and financing of terrorism".

Article 8. Rights and duties of the management of an entity in organising accounting

1. The management of an entity shall be responsible for organising accounting and submitting financial statements in compliance with the requirements of legal acts regulating accounting.
2. For the purpose of this Law, the management of the entity shall be the head of an executive body, the insolvency administrator, the external administrator, individual liquidator, the chairperson of the liquidation commission of an entity being liquidated (hereinafter referred to as "the head of the entity"), as well as other bodies and persons provided for by the charter or internal legal acts of the entity or other legal acts.

3. Within the entity, account keeping shall be done by:
 - (1) an accounting service deemed to be a structural sub-division;
 - (2) an accountant deemed to be an employee of the entity;
 - (3) a company or an individual entrepreneur providing accounting services;
 - (4) the head of the entity, in person.
4. The head of an entity shall determine the accounting policy of the entity, unless that competence is vested — by law or the charter — in another management body.

Article 9. Rights and duties of the chief accountant

1. General account keeping and preparation of financial statements within an entity shall be carried out by the head of the accounting service, and where account keeping is done by a company providing accounting services — by the person authorised by that company or another person provided for by part 3 of Article 8 of this Law (hereinafter referred to as “the chief accountant”), in compliance with the legal acts regulating the field of accounting.
2. The chief accountant shall be responsible for account keeping and timely preparation of financial statements.
3. Compliance with the requests of the chief accountant in relation to submitting information and documents necessary for accounting shall be mandatory for all employees of the entity.
4. In case of disagreement between the head and the chief accountant of an entity with respect to carrying out certain economic operations, the chief accountant shall accept documents for execution upon the written order (assignment) of the head of the entity, and responsibility for the consequences of carrying out such operations shall be borne by the head of the entity.

Article 10. Chief accountant of an entity of public interest, a large entity and a medium-sized entity

1. Only expert accountants and auditors may work as a chief accountant within an entity of public interest, a large entity and a medium-sized entity. Where account keeping for an entity of public interest, a large entity and for a medium-sized entity is done by a specialised company, the person authorised thereby for performing the functions of the chief accountant must also be an expert accountant or auditor.
2. An expert accountant must observe the requirements of the Professional Code of Ethics.
3. In order to work as a chief accountant for banks, credit organisations, payment and settlement organisations, investment companies, an investment fund manager, insurance companies, re-insurance companies and insurance brokerage organisations, the Central Bank may prescribe additional requirements in addition to the requirements prescribed by part 1 of this Article.

Article 11. Main rules for account keeping

1. Account keeping shall be done:
 - (1) through the double-entry accounting, based on the chart of accounts;
 - (2) continuously, starting from the moment of state registration of the entity until entry of the application for registration of termination of activities thereof in the state register.
2. Data for analytical (detailed) and synthetic (first-order) accounting must match.

Article 12. Initial accounting documents

1. Accounting records shall be made on the basis of initial accounting documents which attest to the performance of operations, other occurrences and events. Initial accounting documents must contain necessary requisites for identifying operations, other occurrences and events.
2. The initial accounting documents shall contain the following mandatory requisites:
 - (1) the title of the document;
 - (2) the serial number;
 - (3) the year, month and day of drawing it up;
 - (4) the names (name, surname) of participants (participant) of the operation;
 - (5) the content of the economic operation;
 - (6) the measurement units of the economic operation — in cash and in kind;
 - (7) positions held by responsible persons and the signatures thereof.

The initial accounting documents may contain additional requisites depending on the nature of the operation and the data processing system. Additional requisites may be prescribed by the Public Oversight Council and/or the entity.

3. The initial accounting documents shall be drawn up at the time of performing the operation and, if not feasible, then immediately after completion of the operation.
4. The responsibility for transfer of initial accounting documents for the purpose of their timely and complete filing, for reflecting them in accounting records as and within the time limits prescribed, shall be borne by the persons drawing up and signing those documents.

5. Information contained in initial accounting documents shall be collected and systematised in accounting registers, in chronological order.
6. The Public Oversight Council may prescribe sample initial accounting documents and registers.

Article 13. The right to sign accounting documents

1. The scope of persons entitled to sign accounting documents shall be determined by the management of the entity; moreover, a hierarchy for the right to sign may be established depending on the position held by the given person, the sphere, essence of the operation and size of the monetary value.

Article 14. Inventory taking of assets and liabilities

1. The entity required to publish financial statements shall mandatorily conduct inventory taking of assets and liabilities for the purpose of preparing annual financial statements. The procedure for conducting mandatory inventory taking shall be established by the Public Oversight Council.
2. The list of inventory items and the procedure for conducting inventory taking shall be established by the head of the entity, except for the case indicated in part 1 of this Article.

Article 15. Confidentiality of accounting information

1. Information contained in initial accounting documents, registers, and statements prepared for internal use shall constitute commercial secret with which a person may become familiar in cases and as provided for by law or founding documents of the entity, and internal legal acts thereof.

2. Persons and entities having become familiar with information deemed to constitute commercial secret must keep the confidentiality thereof. In case of unlawful publication of commercial secret, they shall be subject to liability as prescribed by law.
3. Information reflected in financial statements shall not constitute commercial secret.

Article 16. Storage of accounting documents

1. The entity shall retain accounting documents, as well as the information in accounting computer software and on electronic carriers, *i.e.* the initial accounting documents, registers, financial statements, documents related to the accounting policy as and within the time limits prescribed by legislation, but not less than for a term of 5 years.
2. Seizure of accounting documents shall be carried out as prescribed by law. The entity shall be entitled to make copies of the documents seized and keep them.

CHAPTER 3

QUALIFICATION OF THE EXPERT ACCOUNTANT

Article 17. Qualification of the expert accountant

1. Qualification of the expert accountant (hereinafter also referred to as "qualification") shall be the attestation that a natural person meeting the requirements prescribed by Article 19 of this Law, having applied to the specialised institution for receiving qualification of an expert accountant (hereinafter referred to as "the applicant") meets the requirements of part 2 of this Article.

2. Qualification shall be granted by the specialised institution. Qualification shall be granted to the applicant who concurrently:
 - (1) has passed the qualification examinations;
 - (2) has higher education at the moment of submitting an application for receiving qualification;
 - (3) has three years of work experience related to account keeping and preparing financial statements and/or conducting auditing as of the moment of submitting an application for receiving the qualification. The requirements related to work experience shall be prescribed by the specialised institution, by agreeing on them with the Public Oversight Council.
3. The programme for qualification examinations (including the composition of examination subjects) and the procedure for holding the examinations shall be approved by the specialised institution, by agreeing on them with the Public Oversight Council. The qualification examinations shall be organised and held by the specialised institution.
4. The requirement of point 1 of part 2 of this Article shall be deemed to be observed, if the applicant takes the examinations for all examination subjects. The applicant may be exempt from examinations for certain subjects pursuant to the procedure for exemption from qualification examinations, as prescribed by the specialised institution and agreed on with the Public Oversight Council.
5. A decision on not granting qualification shall be rendered in case the applicant fails to comply with the requirements of part 2 of this Article.
6. An expert accountant shall be obliged to undergo ongoing professional development starting from the year following the year of receiving qualification, the requirements for which shall be prescribed by the specialised institution, by agreeing on them with the Public Oversight Council. The duration of ongoing

professional development must not be less than 20 hours for each calendar year and not less than 80 hours for every two consecutive years.

7. The specialised institution shall issue a qualification certificate to the applicant having received qualification pursuant to this Article. The form of and procedure for issuing the qualification certificate shall be established by the specialised institution, by agreeing on them with the Public Oversight Council.

Article 18. Organising of qualification examinations

1. Qualification examinations shall be held by the qualification commission of expert accountants established by the specialised institution (hereinafter referred to as "the Commission"), the individual composition and the charter whereof shall be approved by the specialised institution. The statute of the Commission shall be agreed on with the Public Oversight Council.
2. The specialised institution shall charge a fee from the applicant to compensate for costs incurred for organising and holding qualification examinations. The amount of the fee shall be prescribed by the specialised institution, by agreeing on it with the Public Oversight Council.

Article 19. Requirements for the applicant

1. Citizens of the Republic of Armenia, foreign citizens and other stateless persons with secondary education may participate in the qualification examination.
2. The following persons shall not be allowed to participate in qualification examinations:
 - (1) persons who have been declared as having no legal capacity or having limited legal capacity upon a civil judgment of the court;

- (2) persons who have been deprived of the right to hold any position in the field of carrying out financial and economic relations, unless the conviction has been expired or cancelled.

Article 20. Qualification term

1. Qualification shall be granted for an indefinite term.

Article 21. Grounds and procedure for cancelling qualification

1. Qualification shall be cancelled in cases when:
 - (1) the qualification has been received in violation of the requirements for the applicant under part 2 of Article 17 or Article 19 of this Law;
 - (2) a civil judgment of the court has entered into force, prescribing deprivation of the right to hold any position in the field of carrying out financial and economic relations for a certain period as punishment;
 - (3) the requirements of part 6 of Article 17 of this Law, related to ongoing professional development, have not been observed, except for the cases which are deemed to be valid pursuant to the procedure for the ongoing professional development of auditors and expert accountants, provided for by the Law "On regulation and public oversight of accounting and auditing";
 - (4) an expert accountant evades, pursuant to the Law "On regulation and public oversight of accounting and auditing", from being subjected to external evaluation or has received the mark "5" as a result of the external evaluation.
2. The decision on cancelling qualification shall be adopted by the specialised institution.

3. The decision of the specialised institution on cancelling qualification may be appealed to the Public Oversight Council within 20 working days following the day of adoption of the relevant decision of the specialised institution on cancellation, or through judicial procedure.
4. The decision of the specialised institution on cancelling qualification shall be suspended for the period of appealing. Membership of the expert accountant of the specialised institution shall be deemed to be suspended in the period of appealing. In case the Public Oversight Council or the court does not grant the appeal, the decision of the specialised institution on cancelling qualification shall remain unchanged. In case the appeal is granted, the specialised institution shall render — based on the decision of the Public Oversight Council — a decision on terminating the cancellation of qualification.
5. A person whose qualification has been cancelled pursuant to point 2 of part 1 of this Article shall not have the right to apply again to the specialised institution for qualification examination during the term provided for by the civil judgment of the court having entered into legal force.

CHAPTER 4

PREPARATION AND SUBMISSION OF FINANCIAL STATEMENTS

Article 22. Preparation and composition of financial statements

1. An entity of public interest and a large entity, pursuant to the requirements of the complete IFRS, shall be obliged to prepare financial statements. The composition of financial statements shall be prescribed by the complete IFRS.

2. A group of companies the parent company whereof is an entity of public interest, and the large group, pursuant to the requirements of the complete IFRS, shall be obliged to prepare consolidated financial statements. The composition of consolidated financial statements shall be prescribed by the complete IFRS.
3. A medium-sized entity and a small entity, pursuant to the requirements of the IFRS for SMEs, shall prepare financial statements. The composition of financial statements shall be prescribed by the IFRS for SMEs. Where a medium-sized entity and a small entity apply — upon own discretion — the legal acts indicated in part 1 of Article 5 of this Law, they shall be obliged to prepare financial statements pursuant to the requirements of the complete IFRS.
4. A medium-sized and a small group, pursuant to the requirements of the IFRS for SMEs, shall prepare consolidated financial statements. The composition of consolidated financial statements shall be prescribed by the IFRS for SMEs. Where a medium-sized group and a small group apply — upon own discretion — the legal acts indicated in part 1 of Article 5 of this Law, they shall be obliged to prepare consolidated financial statements pursuant to the requirements of the complete IFRS.
5. A micro-entity, pursuant to the requirements of the Manual on Account Keeping and Preparing Financial Statements for Micro-Entities, shall prepare financial statements. The composition of financial statements shall be prescribed by the Manual on Account Keeping and Preparing Financial Statements for Micro-Entities. Where a micro-entity applies — upon own discretion — the legal acts indicated in parts 1 or 2 of Article 5 of this Law, the financial statements shall be prepared pursuant to the requirements of the complete IFRS or the IFRS for SMEs, respectively.

Article 23. Requirements for drawing up financial statements

1. Requirements for presenting information in financial statements shall be prescribed:
 - (1) in the complete IFRS, for an entity of public interest and a large entity, as well as for the group the parent company whereof is an entity of public interest, and for a large group;
 - (2) in the IFRS for SMEs, for a medium-sized and a small-sized entity, as well as for a medium-sized group and a small-sized group;
 - (3) in the Manual on Account Keeping and Preparing Financial Statements for Micro-Entities, for micro-entities.
2. Financial statements shall be signed by the head and the chief accountant of the entity. In the case prescribed by point 4 of part 3 of Article 8 of this Law, financial statements may be signed exclusively by the head of the entity.

Article 24. Reporting period

1. The reporting year and the interim reporting period shall be deemed to be the reporting period.
2. The reporting year shall be the period from January 1 until December 31 of the given year. The first reporting year for a newly established entity shall be deemed to be the period covering the day of state registration thereof through December 31 of the given year. Annual financial statements shall be mandatorily prepared for the reporting year. The last reporting year for an entity having terminated its activities without legal succession shall be deemed to be the period from 1 January of the given year until its re-organisation or liquidation as prescribed by legislation.

3. The interim reporting period shall be a period shorter than the reporting year. Financial statements for an interim reporting period shall be prepared in cases prescribed by law, other legal acts, or upon the discretion of the entity.

Article 25. Submission of financial statements

1. An entity and a group shall submit financial statements to:
 - (1) participants (shareholders, equity holders), pursuant to the law, the charter or internal rules of procedure of the entity;
 - (2) state and local self-government bodies and other persons in cases prescribed by law, as and within the time limits prescribed by law;
 - (3) creditors, lenders, other parties to economic activities with the participation of an entity, on voluntary basis.
2. The day of submission of financial statements shall be deemed to be the day of delivery thereof to relevant addressees, sending them electronically or via post.
3. The day of submission of statements by post shall be deemed to be the day of their receipt by the postal department imprinted by the date stamp, while in case of submission of statements electronically — the day of submission of a report based on the relevant notice confirming the receipt and registration of the statement.

Article 26. Audit of financial statements

1. Financial statement of the following entities and groups shall be subject to mandatory audit:
 - (1) entities of public interest and large entities;

- (2) medium-sized entities;
 - (3) a group the parent entity whereof is an entity of public interest, and large groups;
 - (4) medium-sized groups.
2. In addition to the entities and groups listed in part 1 of this Article, other laws may also prescribe the types of entities and groups the financial statements whereof shall be subject to mandatory audit.

Article 27. Publicity of financial statements

1. All entities and groups, except for small-sized entities and groups and micro-entities, shall be obliged to publish annual financial statements.
2. An entity and a group the financial statements whereof shall be subject to publication shall be obliged to publish them before 30 June of the year following the reporting year, and in case a requirement to publish interim financial statements is prescribed by legislation — no later than within 60 days after the end of the interim reporting period, unless another time limit is prescribed by law.
3. Banks, credit organisations, organisations carrying out pawnshop activities, payment and settlement organisations, investment companies, reporting issuers in the securities market, an operator of a regulated market, the Central Depository, insurance companies, re-insurance companies, insurance brokerage companies, and investment fund managers shall publish their financial statements as and within the time limits prescribed by the Laws "On banks and banking", "On credit organisations", "On pawn shops and pawnshop activities", "On payment and settlement systems and payment and settlement organisations", "On securities market", "On insurance and insurance activities" and "On investment funds", respectively.

4. Entities and groups (the parental entity of a group) subject to mandatory audit under this Law and other laws shall be obliged to publish annual financial statements only after being subjected to audit. Financial statements of entities undergoing bankruptcy proceedings may not be subjected to audit.
5. Financial statements of the entities and groups indicated in part 4 of this Law shall be subject to publication along with the audit opinion. Financial statements published without the audit opinion, as well as published incompletely, shall be deemed to be not published.
6. An entity the financial statements whereof are subject to publication in compliance with the law shall post scanned copies of the financial statements on its official website, on the official website for public notifications of the Republic of Armenia at <http://www.azdarar.am>, or on the official website of a mass media outlet registered in the Republic of Armenia. Moreover, where the entity has posted the financial statements on its website or on the official website of a mass media outlet registered in the Republic of Armenia, it shall be obliged to post the link (address) of the website for publication of the financial statements on the official website for public notifications of the Republic of Armenia at <http://www.azdarar.am> as well. After publication, the financial statements must be kept for at least five years on the website on which they have been posted.
7. After expiry of the time limits prescribed by parts 2 or 3 of this Article, the entity shall provide the electronic versions of its financial statements subject to publication by law or the link (address) of the website for publication of the financial statements to natural or legal persons within three working days after the receipt of the application of the natural or legal persons thereon.

CHAPTER 5

FINAL PROVISIONS

Article 28. Liability for violating the requirements of legal acts regulating accounting

1. The head of an entity and other persons responsible for the organising of accounting and account keeping shall bear responsibility for violating the requirements of legal acts regulating accounting as prescribed by the Administrative Offences Code of the Republic of Armenia and other laws.

Article 29. Transitional provisions

1. In case the qualification certificates of accountants issued pursuant to Law HO-515-N of 26 December 2002 "On accounting" expire, the Ministry of Finance shall extend them until 1 January 2023, where those certificates are in force at the moment of entry into force of this Law.
2. Where the qualification certificates of accountants issued pursuant to Law HO-515-N of 26 December 2002 "On accounting" expire after 1 January 2023, those certificates shall be in effect until their expiry.
3. The certificates provided for by parts 1, 2 and 8 of this Article shall serve as a basis for membership to the specialised institution as an expert accountant.
4. An accountant with the qualification certificate of an accountant pursuant to Law HO-515-N of 26 December 2002 "On accounting", as well as provided for by part 8 of this Article, shall have the right to receive, before expiry of the certificate, the qualification certificate of an expert accountant provided for by this Law, through the simplified procedure established by the specialised institution.

5. At the moment of entry into force of this Law, pursuant to Law HO-512-N of 26 December 2002 "On auditing", a member of the specialised institution accredited as prescribed by the Government, who has the qualification certificate of an accountant issued by that specialised institution, may, before 1 January 2021, substitute that certificate with the qualification certificate of an expert accountant provided for by this Law, through the procedure established by the specialised institution provided for by this Law.
6. Legal acts adopted on the basis of Law HO-515-N of 26 December 2002 "On accounting" shall remain in force insofar as they do not contradict the provisions of this Law.
7. Pursuant to Law HO-515-N of 26 December 2002 "On accounting", the qualification examinations of applicants having applied to the Ministry of Finance for participating in the qualification examination of accountants before accreditation of the first specialised institution provided for by this Law, shall be held in compliance with the Procedure for Qualification of Accountants in the Republic of Armenia, approved upon Decision of the Government No 1048-N of 8 August 2003.
8. In case the qualification certificates of accountants of banks, credit organisations, payment and settlement organisations, investment companies, an investment fund manager, insurance companies, re-insurance companies, an operator of a regulated market, and insurance brokerage companies, as issued by the Central Bank and in effect at the moment of entry into force of this Law, expire before 1 January 2023, the Central Bank shall extend them until 1 January 2023. Where the above-mentioned qualification certificates of accountants expire after 1 January 2023, those certificates shall continue to remain in force until their expiry.

Article 30. Entry into force of this Law

1. This Law shall enter into force on the day of entry into force of the Law "On regulation and public oversight of accounting and auditing".
2. Law HO-515-N of 26 December 2002 "On accounting" shall be repealed upon entry into force of this Law.

President of the Republic

A. Sargsyan

20 December 2019

Yerevan

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