

OFFICIAL TRANSLATION

MINISTRY OF JUSTICE OF THE REPUBLIC OF ARMENIA

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MINISTER OF JUSTICE OF THE REPUBLIC OF ARMENIA

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LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 4 December 2019

ON AUDITING

CHAPTER 1

GENERAL PROVISIONS

**Article 1. Subject matter of the Law**

1. This Law prescribes the basics of conducting auditing in the Republic of Armenia and regulates the relations pertaining to auditing.

## **Article 2. Scope of the Law**

1. This Law shall apply to auditing conducted in the territory of the Republic of Armenia. The external audit in the state (public) sector shall be termed as public audit and shall be regulated by the Law "On Public Audit Chamber".

## **Article 3. Main concepts used in the Law**

1. The following main concepts shall be used in this Law:
  - (1) **auditor** — a natural person deemed to be a member of a specialised institution prescribed by the Law "On regulation and public oversight of accounting and auditing" who holds the qualification of an auditor;
  - (2) **audit entity** — a legal person deemed to be a member of a specialised institution that is entitled to provide auditing services;
  - (3) **person under audit** — a legal person, institution, to which auditing services are provided;
  - (4) **auditing service** — audit and/or audit review;
  - (5) **auditing** — audit, audit review and audit-related services (agreed-upon procedures, compilation);
  - (6) **international auditing standards** — the following standards published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) 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":
    - a. International Standard on Quality Control (ISQC);
    - b. International Standards on Auditing (ISA);
    - c. International Standard on Review Engagements (ISRE);

- d. International Standard on Assurance Engagements (other than audit and review) (ISAE);
  - e. International Standard on Related Services (ISRS);
- (7) **code of ethics for professional accountants** — the code of ethics for professional accountants (hereinafter referred to as "the Professional Code of Ethics") published by the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC) and put into effect according to the Law "On regulation and public oversight of accounting and auditing", and brought into compliance with the requirements of this Law, as well as the Law "On regulation and public oversight of accounting and auditing" and the Law "On accounting";
- (8) **register of audit entities, auditors and expert accountants** — according to the definition in the Law "On regulation and public oversight of accounting and auditing";
- (9) **specialised institution** — according to the definition in the Law "On regulation and public oversight of accounting and auditing".

#### **Article 4. Body implementing policy in the field of auditing**

1. The body implementing policy in the field of auditing conducted in the territory of the Republic of Armenia shall be the Ministry of Finance, pursuant to the Law "On the structure and operation of the Government".

#### **Article 5. Legal acts regulating auditing**

1. Legal acts regulating auditing shall include:
  - (1) this Law;

- (2) the Law "On regulation and public oversight of accounting and auditing";
- (3) international auditing standards;
- (4) the Professional Code of Ethics;
- (5) other legal acts provided for by the Law "On regulation and public oversight of accounting and auditing".

**Article 6. Audit entity**

1. The audit entity shall acquire the right to provide auditing services from the date the information thereon is registered in the register of audit entities, auditors and expert accountants maintained by the specialised institution (hereinafter referred to as "the register").
2. The entity, the information whereon has not been included in the register within 60 working days starting from the day following the date of state registration, may not use the words "audit", "auditor", "auditing" or their conjugated forms in the name thereof.

**Article 7. Auditor**

1. A natural person shall be recognised as an auditor from the date the information thereon is entered in the register.
2. Auditors shall be obliged to observe the requirements of the Professional Code of Ethics.

## **Article 8. Affiliated persons**

1. Within the meaning of this Law, legal persons shall be deemed to be affiliated if:
  - (1) one of them with the right to vote possesses 20 per cent and more of the voting stocks, shares, units and other securities proving the participation (hereinafter referred to as "stock") of the other person or by virtue of its participation or an agreement concluded between the persons concerned, is able to participate in the decision-making of the other person;
  - (2) participants (shareholders) possessing 20 per cent and more of the voting stocks in one of them or otherwise able to participate in decision-making thereof in a manner not prohibited by law, or their family members are entitled to directly or indirectly possess (including on the basis of purchase and sales, trust management, joint venture agreements, assignment or other transactions) 20 per cent and more of the voting stocks in the other person or otherwise are able to predetermine the decisions of that person in a manner not prohibited by law;
  - (3) the chairperson of the board, a board member, the chairperson of the Directorate, a member of the Directorate, the chief executive officer, his or her deputy in financial management matters, the head of the financial unit, the chief accountant or the person responsible for account keeping or drawing up financial statements, the head of the internal audit unit or the person responsible for internal audit, the chairperson of the inspection commission, a member of the inspection commission or a member of such other bodies (hereinafter referred to as "member of the management body or a person performing such duties") in one of them, as well as any of their family members is at the same time a member of a management body of the other person, or is another person performing such duties.



2. Within the meaning of this Law, natural persons shall be deemed to be affiliated, where they are members of the same family or run a common household or carry out joint entrepreneurial activities.
3. Within the meaning of this Law, natural and legal persons shall be deemed to be affiliated if the natural person concerned or his or her family member is:
  - (1) a participant disposing 20 per cent and more of the stocks of the legal person concerned;
  - (2) a person otherwise able to participate in the decision-making of the legal person in a manner not prohibited by law;
  - (3) a member of the management body of the legal person concerned or is a person performing such duties.
4. Within the meaning of this Law, members of the same family shall be deemed to be the child, spouse, parent, sister, brother, grandfather, grandmother, grandchild, spouse and children of the sister, brother, as well as the child, parent, sister, brother, grandfather, grandmother, grandchild of the spouse.

## **CHAPTER 2**

### **AUDITING AND AUDIT**

#### **Article 9. Auditing**

1. Auditing shall be conducted as prescribed by the legal acts regulating auditing.
2. Audit and audit review shall make it possible for the audit entity to provide a level of assurance of the reliability of information, whereas agreed-upon procedures and compilation do not envisage such assurance.

3. The auditing service must be provided by at least one auditor.

#### **Article 10. Audit**

1. Audit shall be verification of the information contained in the financial statements of the person under audit for the purpose of expressing an independent opinion with respect to reliability of that information and it is carried out by issuing an audit conclusion.
2. Audit shall be conducted in cases prescribed by law (statutory audit) or on voluntary basis (voluntary audit). Both statutory and voluntary audits shall be conducted as prescribed by the legal acts regulating auditing. Voluntary audit may be conducted on other grounds (other audit standards, etc.)
3. Financial statements of the person under statutory audit shall be the financial statements prepared according to the legal acts regulating accounting in the Republic of Armenia. Financial statements of the person under voluntary audit may be prepared both according to the legal acts regulating accounting in the Republic of Armenia and based on other basics.

#### **Article 11. Audit review**

1. Audit review of financial statements shall be the implementation of procedures enabling the auditor to establish whether there are facts which may attest to the fact that financial statements, in all essential terms, are not drawn up in accordance with the legal acts regulating accounting.

## **Article 12. Agreed-upon procedures**

1. Agreed-upon procedures shall be procedures of auditing nature, which the person implementing the procedure, the legal person (institution or individual entrepreneur) and, where necessary, the relevant third party or parties agree upon, and the users of that report may draw their conclusions based on the report submitted by the person implementing the procedures.

## **Article 13. Compilation**

1. Compilation shall be collection, classification and summary of financial information in order to make it more comprehensible and convenient for use.

## **Article 14. Forms and methods of operation of the audit entity**

1. The audit entity shall choose its forms and methods of operation independently, proceeding from the requirements laid down in the legal acts regulating auditing.

## **Article 15. Restrictions on activities of the auditor, audit entity**

1. The audit entity shall be restricted to engage in any entrepreneurial activity other than auditing and providing of services referred to in part 2 of this Article, except for the activities for which the audit entity receives passive income as prescribed by the Tax Code of the Republic of Armenia.
2. The audit entity may also provide the following services:
  - (1) starting and resuming accounting, account keeping, as well as preparing financial statements;



- (2) providing trainings on accounting, taxes, economics, finance and audit;
  - (3) inventory taking and assessment of assets, including financial instruments and/or liabilities;
  - (4) planning and calculation of taxes, duties and other mandatory fees;
  - (5) analysis of financial and economic activities of organisations and individual entrepreneurs;
  - (6) consultation on accounting, economic, financial, tax, administrative and legal aspects;
  - (7) development and analysis of investment programmes, drawing up of a business plan;
  - (8) conducting professional expert examination related to accounting, auditing, finance, economic issues, taxes, duties and other mandatory fees;
  - (9) publication of professional literature;
  - (10) starting, resuming or keeping tax records, preparing tax calculation reports and tax reports;
  - (11) internal audit service.
3. Where a special permit (licence) is required for providing specific types of services referred to in part 2 of this Article, the audit entity shall obtain a relevant permit in a prescribed manner in order to be involved in such types of activities.
  4. The audit entity shall not be entitled to provide the services referred to in part 2 of this Article to the persons under audit conducted thereby, where:
    - (1) provision of such services results in non-observance of the requirements for independence of the audit entity or entails a risk of non-observance of such requirements and/or results in conflict of interests or a risk of such conflict, and

- (2) the audit entity may not adopt relevant measures to eliminate the risk of non-observance of the requirements for independence of the audit entity or reduce the risk to the level at which the main principles of professional ethics (with respect to the auditing services) prescribed by the Professional Code of Ethics will be observed.
5. The following persons may not provide the auditing service or may not participate in the provision of the auditing service:
  - (1) the auditor or the audit entity that is the policyholder of the legal person concerned (except for the types of mandatory insurance);
  - (2) the audit entity, one of the members of the management body of which or one of the persons performing such duties, as well as one of their family members is the policyholder of the legal person concerned (except for the types of mandatory insurance);
  - (3) the audit entity, one of the members of the management body of which or one of the persons performing such duties, as well as one of their family members is a person affiliated to the legal person concerned;
  - (4) the auditor, with persons affiliated to him or her;
  - (5) the audit entity, with persons affiliated thereto;
  - (6) the auditor or audit entity, in other cases provided for by the international auditing standards and/or the Professional Code of Ethics.

#### **Article 16. Documentation of audit and related services**

1. The audit entity shall be obliged to document the conducting of audit and provision of related services as prescribed by the international auditing standards and the Professional Code of Ethics. The audit entity shall — at the

request of the persons making the external evaluation of observance of the quality control requirements for the auditing service provided for by parts 4 and 5 of Article 21 of this Law — be obliged to provide, within a period of five days, the Armenian translations of the foreign-language documents necessary to make external evaluation.

2. Audit documentation shall include drawing up of an audit conclusion based on the working papers of the auditor and audit findings. Also, a report addressed to the management (a letter to the management) shall be drawn up in cases provided for by the contract or upon the initiative of the audit entity.
3. Working papers of the auditor shall be the documents prepared or obtained and kept by the auditor for the purpose of conducting audit.
4. Audit conclusions, reports addressed to the management, working papers of the auditor and other documents related to the conducting of audit shall be kept as prescribed by the legislation of the Republic of Armenia, but not less than five years following the audit.

#### **Article 17. Audit conclusion**

1. Audit conclusion shall be a document drawn up by the audit entity, whereby an opinion is provided on the financial statements of the person under audit. The requirements for the form, content of the audit conclusion shall be established by the international auditing standards and the Professional Code of Ethics.
2. The audit conclusion shall be drawn up in at least two copies, signed by the auditor in charge of the audit and approved by the signature of the head of the audit entity. One copy of the audit conclusion shall be provided to the person under audit, and the other copy shall remain with the audit entity.

**Article 18. Unreliable audit conclusion**

1. Within the meaning of this Law, unreliable audit conclusion shall be the audit conclusion which has been drawn up without conducting audit in compliance with the international auditing standards and/or the Professional Code of Ethics.
2. An audit conclusion shall be declared as unreliable upon the decision of the specialised institution. The decision of the specialised institution may be appealed to the Public Oversight Council.

**Article 19. Report addressed to the management (letter to the management)**

1. The report addressed to the management shall be a document prepared in accordance with the international auditing standards based on the contract concluded between the audit entity and the entity under audit, which may include information on the progress of the audit, detected errors and shortcomings, violations of the requirements for account keeping and preparation of financial statements, results of analysis of specific issues, issues provided for by the contract and other issues, as well as recommendations on elimination of errors and shortcomings. Other information may also be included if the person under audit or the auditor so wishes.

**Article 20. Audit secret**

1. Audit secret shall be the information received by the audit entity or the staff thereof during auditing; it shall also include prepared or acquired documents, except for the audit conclusion and the conclusion on audit review.
2. Audit secret shall not be subject to publication, except:

- (1) when the publication is allowed by the entity receiving auditing services;
  - (2) in cases prescribed by law.
3. The violation of the requirements of part 2 of this Article shall entail liability as prescribed by law.

**Article 21. Quality control of the auditing service and external evaluation thereof**

1. The audit entity shall be obliged to establish rules for quality control of the auditing service and observe those rules. The principles of quality control of the auditing service and the requirements for organising of the specified control shall be established by the international auditing standards and the Professional Code of Ethics.
2. The audit entity and auditor shall be subject to external evaluation of observance of the quality control requirements for the auditing service. The specified persons shall be obliged to submit to the external valuer all the documents and information necessary for the evaluation.
3. The subject-matter of the external evaluation of observance of the quality control requirements for the auditing service shall be the control over observance by the audit entity and/or auditor of the requirements of this Law, the Law "On regulation and public oversight of accounting and auditing", international auditing standards and the Professional Code of Ethics.
4. The external evaluation of observance of the quality control requirements for the auditing service shall be made by the specialised institution to which the audit entity and/or auditor is a member.
5. Where necessary, the external evaluation of observance of the quality control requirements for the auditing service of the audit entity may also be made by the Public Oversight Council.

6. Scheduled external evaluation of observance of the quality control requirements for the auditing service must be implemented not more than once a year and at least once in three years.
7. The information received by the specialised institution or the Public Oversight Council on the possible violations of the requirements of this Law and the Law "On regulation and public oversight of accounting and auditing", of the international auditing standards and the Professional Code of Ethics may serve as grounds for undertaking non-scheduled external evaluations of observance of the quality control requirements for the auditing service.

### **CHAPTER 3**

#### **AUDIT ENTITY AND PERSON UNDER AUDIT**

##### **Article 22. Rights and obligations of the audit entity**

1. The audit entity shall have the right to:
  - (1) independently determine the forms and methods of provision of auditing services based on the international auditing standards and the Professional Code of Ethics, as well as decide on the quantitative and individual composition of the group providing auditing services;
  - (2) while providing auditing services, fully examine the documents related to the financial and economic activities of the person under audit, as well as verify the actual availability of property recorded in the documents;
  - (3) obtain from the person under audit verbal and written explanations and other necessary information on issues having arisen during the provision of auditing services, as well as request such information from third parties;

- (4) make a written inquiry, with the knowledge of person under audit, and obtain necessary information or verifications from third parties;
  - (5) involve other auditors, specialists (including on contractual basis), as well as other commercial entities in the provision of auditing services. The procedure for involvement of the specified persons in the provision of auditing services shall be provided for by the international auditing standards and the Professional Code of Ethics;
  - (6) refuse to provide auditing services in case of violation of the requirements prescribed by point 1 or 2 of part 2 of Article 23 of this Law;
  - (7) carry out other actions not prohibited by the legislation of the Republic of Armenia.
2. The audit entity shall be obliged to:
- (1) observe the requirements of the legislation of the Republic of Armenia during auditing;
  - (2) submit, upon the request of the person under audit, the justifications for recommendations and conclusions presented to the person under audit;
  - (3) ensure observation by the employed auditors thereof, as well as the persons referred to in point 5 of part 1 of this Article of the requirements of parts 4 and 5 of Article 15 of this Law;
  - (4) refuse to provide auditing services upon the bases prescribed by parts 4 and 5 of Article 15 of this Law;
  - (5) ensure confidentiality of the information received during auditing and constituting auditing, official, commercial, bank, insurance or pension secret. The list of confidential information shall be established by law, the contract on conducting audit and shall not be subject to disclosure, except for cases prescribed by law or the contract, as well as upon written consent



of the legal person or institution that has undergone audit. This list shall not include information which may not constitute audit, official, commercial or bank secret under the legislation of the Republic of Armenia;

- (6) inform — in case of violating one of the requirements of points 2-4 of part 1 of Article 18 of the Law "On regulation and public oversight of accounting and auditing" — the specialised institution thereof in writing within twenty working days following the day of committing the violation;
- (7) submit to the specialised institution reports on auditing as, within the time limits and at intervals prescribed by the specialised institution;
- (8) provide conditions for the relevant employees of the specialised institution, the Public Oversight Council, including for the specialists involved by the specialised institution and the Public Oversight Council to make the external evaluation with respect to observance of the quality control requirements for the auditing service, provided for by this Law and the Law "On regulation and public oversight of accounting and auditing";
- (9) have a website, where the entity shall be obliged to post and keep its annual financial statements and the list of persons having undergone audit, including 30 April of the year following the reporting year;
- (10) provide the information provided for by the Law "On combating money laundering and terrorism financing" and constituting a commercial secret to the authorised body prescribed by that Law upon suspicion of money laundering or financing of terrorism or upon the request of the authorised body, in the cases and as prescribed by that Law.
- (11) undertake obligations provided for by the Law "On combating money laundering and terrorism financing" and other laws.

### **Article 23. Rights and obligations of the person under audit**

1. The person under audit shall have the right to:
  - (1) independently select the audit entity, unless otherwise prescribed by law or the contract;
  - (2) request and receive from the audit entity the justifications for recommendations and conclusions presented;
  - (3) receive from the audit entity the audit conclusion within the time limit specified in the contract on provision of auditing services;
  - (4) receive from the audit entity information on the legal acts regulating auditing;
  - (5) inform the specialised institution and the Public Oversight Council of the violation by the audit entity of the requirements of the legal acts regulating auditing;
  - (6) perform other actions not prohibited by the legislation of the Republic of Armenia.
  
2. The person under audit shall be obliged to:
  - (1) assist the audit entity in providing auditing services in a timely and complete manner provide documents necessary for the provision of auditing services, give clarifications and explanations regarding verbal and/or written inquiries of auditors in the manner preferable for auditors (verbal or written), as well as require — upon request of the auditor, within the scope of his or her competence — from third parties information necessary for providing auditing services;
  - (2) undertake no measure which would limit the scope of issues examined during the provision of auditing services;

- (3) make a timely payment for the services of the audit entity in compliance with the contract on the provision of auditing services;
- (4) undertake other obligations provided for by law.

**Article 24. Fee for auditing services**

1. The amount of the fee for auditing services, the procedure for and the manner of payment thereof shall be envisaged in the contract concluded between the parties and may not depend on such requirements of the person under audit which may impact the content of the audit conclusion issued following the provision of auditing services.
2. The fact of provision of additional services may not impact the fee for auditing services or determination of the amount thereof may not depend on it.
3. The fee for auditing services may not be based on any form of conditionality.

**CHAPTER 4**

**QUALIFICATION OF THE AUDITOR**

**Article 25. Qualification of the auditor**

1. Qualification of the auditor (hereinafter also referred to as "qualification") shall be the attestation that a natural person meeting the requirements prescribed by Article 27 of this Law, having applied to the specialised institution for obtaining qualification of an auditor (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 obtaining qualification;
  - (3) has at least three years of work experience related to the provision of auditing service or account keeping or preparing financial statement as of the moment of submitting the application for receiving qualification, moreover at least one year of work experience related to the provision of auditing service. 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 passes the examinations for all examination subjects. The applicant may be exempt from examinations for certain subjects pursuant to the procedure for exemption from the 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 auditor shall be obliged to undergo ongoing professional development starting from the year following the year of obtaining 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 each two consecutive years.

7. The specialised institution shall issue a qualification certificate to the applicant having obtained 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 it with the Public Oversight Council.

#### **Article 26. Organising of qualification examinations**

1. Qualification examinations shall be held by the qualification commission of auditors established by the specialised institution (hereinafter referred to as "the Commission"), the individual composition and charter whereof shall be approved by the specialised institution. The charter of the Commission shall be agreed on with the Public Oversight Council.
2. The specialised institution shall charge a fee 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 27. Requirements for the applicant**

1. Citizens of the Republic of Armenia, foreign citizens and 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 active 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 28. Qualification term**

1. Qualification shall be granted for an indefinite term.

**Article 29. Grounds and procedure for cancelling qualification**

1. Qualification shall be cancelled in cases when:
  - (1) the qualification has been obtained in violation of the requirements for the applicant under part 2 of Article 25 or Article 27 of this Law;
  - (2) a civil judgment of the court has entered into force, prescribing deprivation of the right to conduct auditing for a certain period as punishment;
  - (3) the requirements of parts 4 and 5 of Article 15 and part 2 of Article 20 of this Law have not been observed;
  - (4) the auditor has signed an audit conclusion which has been declared as unreliable;
  - (5) the requirements of part 6 of Article 25 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 ongoing professional development of auditors and expert accountants, provided for by the Law "On regulation and public oversight of accounting and auditing";

- (6) an auditor 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 appeal. Membership of the auditor within the specialised institution shall be deemed to be suspended in the period of appeal. 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 cancellation of the qualification.
  5. A person whose qualification has been cancelled pursuant to points 3 and 4 of part 1 of this Article shall not have the right to apply again to the specialised institution for qualification examinations within three years following the date of cancellation of the qualification.
  6. 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 examinations during the term provided for by the civil judgment of the court having entered into legal force.



## CHAPTER 5

### FINAL PROVISIONS

#### **Article 30. Transitional provisions**

1. In case the qualification certificates of an auditor issued pursuant to Law HO-512-N of 26 December 2002 "On auditing" expire, the Ministry of Finance shall extend them until 1 January 2023, where those certificates have been valid as of 1 January 2019.
2. Where the qualification certificates of an auditor issued pursuant to Law HO-512-N of 26 December 2002 "On auditing" expire after 1 January 2023, those certificates shall be in effect until their expiry.
3. The certificates provided for by parts 1 and 2 of this Article shall serve as a basis for membership to the specialised institution as an auditor.
4. An auditor with the qualification certificate of an auditor pursuant to Law HO-512-N of 26 December 2002 "On auditing", shall have the right to obtain, before expiry of the certificate, the qualification certificate of an auditor 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 auditor, issued by that specialised institution, may, before 1 January 2021, substitute that certificate with the qualification certificate of an auditor provided for by this Law, through the procedure established by the specialised institution provided for by this Law.
6. From 1 January 2021, the licences issued for provision of auditing services shall be deemed to be revoked, and the audit entity which is not a member of

specialised institutions, shall not have the right to provide auditing services. Pursuant to Law HO-512-N of 26 December 2002 "On auditing", the licensing of entities having applied to the Ministry of Finance for obtaining a licence for providing auditing services before accreditation of the first specialised institution provided for by this Law, shall be carried out under Decision of the Government No 346-N of 22 March 2012.

7. Legal acts adopted on the basis of Law HO-512-N of 26 December 2002 "On auditing" shall remain in force insofar as they do not contradict the provisions of this Law.
8. Pursuant to Law HO-512-N of 26 December 2002 "On auditing", the qualification certificate of an auditor shall be issued to the applicants having applied to the Ministry of Finance for obtaining qualification of an auditor before accreditation of the first specialised institution provided for by this Law under Decision of the Government No 123-N of 3 February 2005 "On regulating the issues related to the qualification of auditors".

### **Article 31. 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. The Law HO-512-N of 26 December 2002 "On auditing" shall be repealed from the moment of entry into force of this Law.

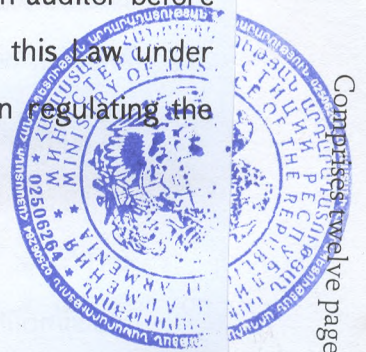
**President of the Republic**

**A. Sargsyan**

20 December 2019

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