

DECISION

OF THE GOVERNMENT OF THE REPUBLIC OF ARMENIA

No 990-N of 17 August 2017

ON DEFINING THE CONTENT OF THE FINANCIAL GUARANTEE AND STANDARDS THEREFOR, THE PROCEDURE FOR EVALUATING THE QUALITATIVE CRITERIA THEREFOR, AS WELL AS FOR CALCULATING THE FINANCIAL GUARANTEE

Based on part 8 of Article 60.4 of the Subsoil Code of the Republic of Armenia, the Government of the Republic of Armenia **decides**:

1. To define the content of the financial guarantee and standards therefor, the procedure for evaluating the qualitative criteria therefor, as well as for calculating the financial guarantee, pursuant to the Annex.
2. This Decision shall enter into force on the tenth day following the date of its official promulgation.

**Deputy Prime Minister
of the Republic of Armenia**

V. Gabrielyan

18 August 2017

Yerevan

Annex
to Decision of the Government
of the Republic of Armenia
No 990-N of 17 August 2017

PROCEDURE

**CONTENT OF THE FINANCIAL GUARANTEE AND STANDARDS THEREFOR,
FOR EVALUATING THE QUALITATIVE CRITERIA THEREFOR,
AS WELL AS FOR CALCULATING THE FINANCIAL GUARANTEE**

1. This Procedure shall regulate the relations pertaining to the content of the financial guarantee required for ensuring implementation of the measures envisaged by mining waste management and/or mining waste re-processing plans submitted to the authorised body along with the application for obtaining a right to subsoil use (hereinafter referred to as "the financial guarantee") and standards therefor, the procedure for evaluating the qualitative criteria therefor, as well as for calculating the financial guarantee.
2. The guarantee submitted along with the application for obtaining a right to subsoil use as prescribed by the legislation of the Republic of Armenia must meet the following standards:
 - (1) the principal (applicant and/or subsoil user) must be provided with a financial guarantee, which is granted by a bank, other credit organisation or insurance company;
 - (2) the amount of the guarantee must correspond to the amount of the financial means necessary for the implementation of the measures envisaged by mining waste management and/or mining waste re-processing plans;

- (3) the obligation stipulated by the guarantee must be autonomous — independent from the principal obligation of the applicant and/or subsoil user;
 - (4) the guarantee may not be recalled by the entity having issued the guarantee.
 - (5) the guarantee shall enter into force not later than the date of acquiring the right to subsoil use.
3. The calculation of the guarantee amount shall be made by the applicant or subsoil user when drawing up the mining waste management and/or mining waste re-processing plans, based on the estimate drawn up for the financial means necessary for the implementation of the measures envisaged therein. Current market prices must serve as a basis for the calculation of estimated values.
 4. The Ministry of Environment of the Republic of Armenia shall give a quality assessment to the guarantee during the assessment of environmental impact. The quality assessment given to the guarantee shall be deemed to be satisfactory if it meets the criteria prescribed by points 2 and 3 of this Procedure.

(point 4 amended by No 1442-N of 10 October 2019)

5. The guarantee shall be rejected in case any of the criteria prescribed by this Procedure are not met.

(Annex amended by No 1442-N of 10 October 2019)

**First Deputy Chief of Staff
of the Government
of the Republic of Armenia**

A. Sargsyan