

RULES OF ARMENIAN PAYMENT AND SETTLEMENT SYSTEM UBPAY

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CHAPTER 1. GENERAL PROVISIONS

- 1.1** The rules (hereinafter referred to as “the Rules”) of “UBPAY” Armenian Payment and Settlement System (hereinafter referred to as “the System”) set forth the main principles of the System operation, types of operations performed through and Tariff policy applied within the System, processing, clearing and final settlement rules, as well as functions, rights and obligations of the System’s entities, procedures of participation in the System, suspension and termination of participation therein, the System’s technical and software environment and its components, the procedures of ensuring information security and respective security requirements, risk management and continuity of the System’s operations, oversight over compliance with these Rules and amendments therein.
- 1.2** The aim of the system operation is to organize the provision of money transfer services of due quality for resident and non-resident customers.
 - 1.2.1** The system entities are the System operator, the Processing/ clearing center, the Settlement Bank and the Participants.
- 1.3** The System operator is Unibank Open Joint-Stock Company (hereinafter also referred to as “the Bank”).
- 1.4** The System operator also acts as the System participant.
- 1.5** The participation criteria set forth by these Rules are the same for all the System Participants.
- 1.6** To become a System Participant and conclude a participation agreement with the System operator, the organization shall apply to the System operator, in compliance with the procedure established by the present Rules.
- 1.7** The System operator shall be responsible for the development and approval of the System activity procedure, including those of the Rules, oversight over the compliance with the Rules, conclusion of participation agreements with the Participants, System development, market research, exploration of opportunities to apply and introduce new services, identify new directions and negotiate with new operators of payment and settlement systems, potential Participants and inclusion thereof, involvement of other System entities, dissemination of the System logo and trademark, System risk assessment and management, securing continuous System functioning, development and ensuring policies on information security, AML/CTF, tariffs, and receipt of applications, complaints and inquiries from the Participants and Customers within the System.
- 1.8** The Processing/clearing center is responsible for the receipt, collection, processing, classification, storage and transfer of the information related to money transfer operations initiated by the Participants, oversight over execution of money transfer (Send-money) operations within the limits of the net debit balance, management of the procedures on the change and approval of the net debit limits, initiation of the orders on freezing the funds on the Participants’ accounts maintained at the settlement banks, as per the net debit limits, verification of the certificates used within the System, initiation of verification of validity thereof, as well as calculation of the Participants’ and System operator’s net positions and submission of orders on final settlement to the Settlement bank.

- 1.9** The Settlement bank is responsible for ensuring the funds freezing by the System, as per the available funds on the Participants' and System operator's net debit limits or payment accounts, to ensure final settlement for the money transfer operations executed via the System, in four payment currencies (AMD, USD, EUR and RUB) of the Participants' and System Operator's accounts maintained by the Settlement bank.
- 1.10** The Participants shall ensure the execution of the funds transfer operations through the System, based on the orders submitted by the customers.
- 1.11** The Participants shall bear responsibility for the fulfilment of the requirements set forth by the System Rules, in compliance with these Rules and the participation agreement signed between the Participants and the System Operator.
- 1.12** The violation of the requirements set forth by these Rules shall serve as grounds for the termination of the Participant's participation or cooperation agreement.
- 1.13** The notifications under these Rules exchanged between the System operator and the participants, or the provision of other envisaged information shall be implemented via the means of communication agreed between the System operator and the Participant under the participation agreement, unless otherwise stated by the Rules.

CHAPTER 2. KEY TERMS AND CONCEPTS

- 2.1** The key terms and concepts shall be used in the present Rules with the following meanings:
- System: an Armenian unified system of money transfers, which operates under the title and trademark of UBPAY and is a unity of general rules and regulations for money transfer, processing, clearing, final settlement and technical and software means ensuring the mentioned processes,
 - Settlement bank: a bank ensuring the final settlement of the monetary liabilities arising between the System participants and System operator in the result of money transfer operations executed through the System. Unibank OJSC shall implement the Settlement bank's functions through its separate structural subdivision, i.e. Accountancy management,
 - System operator: an organization responsible for regulating the System's operation, including the development of these Rules, supervision over compliance thereof, conclusion of participation agreements with the Participants, ensuring and building on the continuity of the System's operation, as well as fulfilment of other functions established for the System operator. Unibank OJSC shall implement the System operator's functions,
 - Processing/ Clearing center: an organization implementing the processing and clearing of the money transfer operations initiated by the Participants, as well as other functions established by the System Rules, and maintaining the administration of the System's technical and software complex. Unibank OJSC shall implement the Processing/ Clearing center's functions, through the Operational Service and Information Systems Management, Unibank's separate structural subdivision,
 - Final settlement, processing, clearing, as per the definitions set forth by the RA Law on Payment and Settlement Systems and Organizations",

- Money transfer operation: Money transfer sending (Send-money), Money transfer receipt (Pay-out), Money transfer return (Reversal), Money transfer change (Amendment) and Money transfer call-off (Cancellation),
- Money transfer sending (Send-money): a transaction and/or order initiated by the Sender, according to which funds transfer from the Sender to the Recipient shall be implemented,
- Money transfer receipt (Pay-out): a transaction and/or order initiated by the Recipient, according to which the initiated transferred funds are provided to the Recipient,
- Money transfer change (Amendment): a transaction and/or order initiated by the Sender, according to which the terms of the money transfer, initiated but not yet provided to the Recipient, are amended, as per the Rules,
- Money transfer return (Reversal/Return): a transaction and/or order initiated by the Sender, according to which the funds of the initiated money transfer are returned to the Sender, if the transferred money has not been provided to the Recipient within the terms specified by the Rules, due to the absence of the Recipient's request and/or order,
- Money transfer call-off (Cancellation): a transaction and/or order initiated by the Sender, the Sending party or the System operator, according to which termination/ cancellation of the money transfer operation, initiated but not yet provided to the Recipient, is carried out, on condition to return the funds of the money transfer to the Sender,
- Participant: an Armenian bank, an Armenian payment and settlement organization, a foreign bank or a foreign payment and settlement organization, owning a payment account at the Settlement bank, as well as any organization having the right to provide payment and settlement and/or similar services, according to the legislation of the country, which has concluded a participation agreement within the System, and the final settlement for the money transfer operations executed by which via the System is implemented through the payment account opened in their name at the Settlement bank,
- Armenian bank: A bank that received a license from the RA Central Bank, in compliance with the RA legislation, for implementation of banking activity; or a branch of the foreign bank registered by the RA Central Bank,
- Armenian payment and settlement organization: a payment and settlement organization that has received a license from the RA Central Bank for the provision of payment and settlement services, in compliance with the RA legislation,
- Participant's service station: Participant's headquarters, branch or local offices or any service station, where or via which the Customers can initiate Money transfer operations,
- System entity, System operator, Processing/ clearing center, Settlement Bank, Participants,
- System API (Application Programming Interface), a unity of standardized rules and methods, through which the data exchange among the System entities is implemented via relevant technical and software means,
- Sending party: the Participant, through whom the Send-money operation is initiated based on the Sender's order.

- Receiving party: the Participant, through whom the money is transferred to the Recipient,
- Sender: the person who initiates the Send-money operation and submits the order to the Sending party,
- Receptient: the person who is the addressee of the transferred money,
- Customer: Sender and/or Receptient,
- Approval of Money transfer operation: provision of authorization by the Processing/ clearing center for the Money transfer operation initiated by the Participant,
- Working day: all days of the week, except for Saturday and Sunday and non-working days established by the RA Law on "the RA holidays and commemoration days", as well as other days defined as "working", which are previously agreed with the Participants, in the event of relation with the obligations of the System participants,
- Settlement phase: time period established by the present Rules, within which the Participants' and System operator's net positions are calculated and the final settlement is further made,
- Net debit limit: within the scope of the settlement phase, to ensure the final settlement, the frozen (deposited) amount established by each Participant for themselves, based on which the Participant's opportunity to execute the money transfer/"Send-money" operation within the System is determined,
- Net debit liability: within the scope of the settlement phase, the amount of each Participant's liability or claim toward the System operator as of the current moment,
- Net debit balance: within the scope of the settlement phase, the amount currently available to the Participant for money transfer (Send-money),
- Irrevocability moment: the moment after which the order for money transfer entered and approved in the System cannot be called back or changed,
- Unique reference number: money transfer identification number automatically generated by the System in the event of approval of the Money transfer (Send-money) operation,
- Customer's commission fee: the amount charged from the Sender at the moment of money transfer (Send-money) initiation, in addition to the Money transfer amount,
- Money transfer amount: the amount subject to provision to the Sender,
- A person associated with terrorism: any individual terrorist, including individuals or terrorist organizations suspected/ accused of, or convicted for (attempted) terrorism, or persons associated therewith, acting on their behalf or upon their instructions, or other persons directly or indirectly belonging to or managed by them, included in the lists, developed by the UN Security Council resolutions, in compliance thereof, or published by the RA Central Bank,
- Money laundering: conversion of property obtained by unlawful means or transfer thereof (if known, that the property was obtained by unlawful means), with a purpose to disguise or misrepresent the unlawful origin of the mentioned property, or assist any individual to avoid responsibility for the committed crime; or disguise or misrepresentation of the real nature, source of origin, location,

movement, rights or (means of) ownership (if it was known at the moment of obtaining the property that it was obtained in the result of unlawful activity),

- Any person associated with proliferation of weapons of mass destruction, included in the lists, developed by the UN Security Council resolutions on targeted financial sanctions for proliferation of weapons of mass destruction and (or) financing thereof, and lists published in compliance thereof,
- Information considered a secret: the commercial secret of one of the Parties, bank secret or other secret secured by law, such as information on the customers, money transactions, balance on the respective accounts and operations and other information classified as secret under the RA legislation,
- Integration with the System: pursuant to the System rules, organizational activities for technical, security, administration, compliance, AML/CTF procedures, as well as designing, programming, testing, administering and servicing of mandatory procedures under the System Rules and the RA legislation, with a purpose to launch the Participant's activity within the System.
- Launching of the System: following the completion of all the System integration activities and registration thereof, the Participant's joining the System.

CHAPTER 3. TERMS OF PARTICIPATION IN THE SYSTEM

3.1 Following the entry into force of the participation agreement between the Participant and the System operator, all the requirements specified under the Rules shall be unconditionally fulfilled by the Participant.

3.2 The System operator publishes and updates the Participant list in the event of changes on the System's official website (www.ubpay.am).

3.3 To become a System participant, it is required to conclude a participation agreement between the System operator and the Participant.

3.4 The System Participant shall:

- Have an authorization/license from the authorized state entity for the provision of payment and settlement and/or similar services or implementation of the payment and settlement operator's activities, or have a similar authorization under the legislation of the Participant state,
- Execute AML/CTF measures, within the scope of which customers' due examination is carried out, along with verification/matching activities with various international and internal lists of the customer data,
- Have an opportunity to work with the System software and meet the requirements set forth by the System operator,
- Fulfil the information security requirements set forth by the Rules,
- Ensure the storage and non-disclosure of confidential information,
- Be free from overdue loan, tax or other types of liabilities,

- Have a separate subdivision or an appointed authorized representative, responsible for the cooperation with the System operator.
- 3.5** To become a System Participant, the aspiring organization shall submit a relevant application and other required documents to the System operator.
- 3.6** Prior to signing a Participation or cooperation agreement, the System operator shall conclude a confidentiality agreement with the Participant.
- 3.7** The System operator shall collect the data required for communication with the Participant, clarify with the latter the terms of services provision, coverage, processes required for the Final Settlement, technical parameters for joining the System, as well as register the Participant in the System, including the service stations thereof.
- 3.8** Following the entry into force of the participation agreement concluded with the System operator, no later than within 10 (ten) working days, the Participant shall initiate the registration procedure of its service stations, via providing the required information on them to the System operator. Based on the information provided by the Participant, the System operator shall ensure the registration of the Participant's service stations in the System.
- 3.9** In the event of activity termination of the service station registered by the Participant in the System, the Participant shall inform the System operator about it in writing, no later than 10 (ten) days prior to the date of the envisaged activity termination of the service station. Based on the information provided by the Participant, the System operator shall ensure the removal of the Participant's service station from the list of the service stations registered with the System starting from the date of the envisaged activity termination of the service station.
- 3.10** The Participant may initiate the addition of a new service station to the list of the service stations registered with the System, via providing the required information on them to the System operator, at least 5 (five) working days prior to the planned start date of the new service station's activity, within a format agreed between the System operator and the Participant.
- 3.11** The Participant may initiate the change of the available information on the service station thereof registered with the System, by providing the full required information on it to the System operator via sending the mentioned information to the latter's e-mail, at least 5 (five) working days prior to the date of the amendments entering into force. Based on the information provided by the Participant, the System operator shall amend the information on the Participant's service station in the System.
- 3.12** To ensure the Participant's joining the System, the former shall be provided certificates via the channel agreed upon by the System operator and the Participant.

CHAPTER 4. TEMPORARY SUSPENSION AND TERMINATION OF THE PARTICIPATION

Temporary suspension of the participation

- 4.1** The participation in the System may be temporarily suspended.

4.1.1 On the Participant's initiative, via notifying the System operator in writing, at least 10 (ten) days prior to the planned suspension of the participation, or immediately, in the event of technical issues requiring urgent solutions,

4.1.2 On the System operator's initiative, via notifying the Participant on the suspension of participation in writing, at least 10 (ten) days in advance, in the following cases:

- In the event of violation of the requirements by the Participant specified under the Rules,
- In the event of non-provision of the information requested by the System operator or provision of unreliable information,
- In the event of non-fulfilment of the participation criteria specified under this Chapter,
- In the event of the System operation continuity risk emergence arising from the Participant's activity or inaction,
- In the event of unfavorable changes in the Participant's activity, including deterioration of the financial state, business processes and service quality,
- In the event of suspension of the authorization/ license provided to the Participant by the authorized state entity.

4.2 If the participation was suspended on the Participant's initiative, the latter's participation in the System may be restored and their money transfer operations via the System resumed, within 5 (five) working days from the date of the Participant's sending the written notification to the System operator, if the latter approves the Participant's request for participation restoration.

4.3 In the event of suspension of participation at the initiative of the System Operator, resumption of participation is permitted at the initiative of the System Operator after the System Operator provides the Participant a corresponding written notice of this at least 5 working days before the planned resumption of participation and subject to the elimination of the factors that caused the temporary suspension of participation.

4.4 The Participant's participation in the System may be suspended for a maximum period of up to 3 months. In the event if, following the 3-month period, the respective grounds/ reasons of the participation suspension are not eliminated, the Participant's participation in the System is terminated.

4.5 In the event of temporary suspension of the participation, the Participant shall ensure the following operations by the date of the participation suspension inclusive: provision of the Money transfers (Pay-out) to the Recipient, change the Money transfer (Amendment), call-off the Money transfer (Cancellation) and return the Money transfer (Reversal), if the mentioned transfers were made prior to the date of the temporary suspension of participation.

4.6 The Participant shall stop receiving the Customers' Money transfer sending (Send-money) operations, starting from the moment of temporary suspension of participation.

Termination of Participation

- 4.7** The termination of participation within the System shall imply termination of the participation agreement concluded between the Participant and the System operator, as well as termination of the Participant's and the System operator's rights and obligations.
- 4.8** The Participant's participation in the System may be terminated upon the Participant's initiative, via notifying the System operator in writing at least 3 (three) months prior to the envisaged termination of participation, and on the System operator's initiative, via notifying the Participant in writing at least 3 (three) months prior to the envisaged termination of participation *äünü*.
- 4.9** The System operator may immediately terminate the Participant's participation in the System in the following cases:
- Violation by the Participant of the requirements prescribed under the Rules,
 - The Participant's involvement in the suspicious or unlawful transactions and violation of the AML/CTF legislation,
 - In the event of the authorization/ license issued to the Participant declared ineffective by the competent entity of the Participant's country or termination of the Participant's authorization issued in compliance with the law,
 - In the event of starting a bankruptcy process against the Participant, in compliance with the legislation of the latter's country,
 - In the event of a decision taken by an authorized entity of the Participant's country on the System activity termination in the territory of the given country,
- 4.10** In the event of termination of participation, as envisaged in Clause 4.8 of the Rules, the Participant shall cease receiving the Customers' orders for Money Transfer sending (Send-money) 15 days prior to the planned termination of participation.
- 4.11** In the event of termination of participation, as envisaged in Clause 4.9 of the Rules, the Participant shall cease receiving the Customers' orders for Money Transfer sending (Send-money) on the date of termination of participation, envisaged by the System operator.
- 4.12** In the event of termination of participation, as envisaged in Clauses 4.8 and 4.9 of the Rules, the Participant shall ensure the provision of Money transfers to the Recipient (Pay-out) and execute the operations on Money transfer change (Amendment), Money transfer call-off (Cancellation) and Money transfer return (Reversal) by the date of participation termination inclusive.
- 4.13** Following the date of participation termination, the operations on Money transfer change (Amendment), Money transfer call-off (Cancellation) and Money transfer return (Reversal) with regard to the respective participant shall be executed by the System operator, based on the request submitted by the Customer.

CHAPTER 5. TYPES OF OPERATIONS EXECUTED WITHIN THE SYSTEM

5.1 Money transfers types made through the system are as follows:

- 5.1.1** By physical persons in cash; money transfer initiated without opening a bank account, subject to provision to another physical person in cash,
- 5.1.2** By physical persons in cash; money transfer initiated without opening a bank account, subject to provision to another physical person via transferring it to the bank account or payment card (hereinafter referred to as non-cash provision)"

5.2 It is possible to execute the following cash-to-cash money transfer operations via the System:

- 5.2.1** Money transfer sending (Send-money),
- 5.2.2** Money transfer receipt (Pay-out),
- 5.2.3** Money transfer return (Reversal),
- 5.2.4** Money transfer change (Amendment),
- 5.2.5** Money transfer call-off (Cancellation):

5.3 It is possible to execute cash-to-non-cash money transfer operations through the System, i.e. money transfer sending (Send-money) and transfer receipt (Pay-out).

5.4 The transfers subject to provision in cash to the Recipient are without address, i.e. the Participant, from whose service stations the Recipient can receive the transfer, is not mentioned during the money transfer sending (Send-money) operation, yet the country wherefrom the money transfer is expected is mandatorily mentioned.

5.5 The transfers subject to provision in non-cash to the Recipient are "addressed", meaning the Recipient's country and the Participant maintaining the Recipient's respective account, whereto the transfer is to be made, are mentioned during the money transfer sending (Send-money) operation.

5.6 In the event of cash transfer of the amount to be provided, the Recipient shall receive the money transfer in real time from the service station of any System Participant in the recipient country mentioned during the money transfer sending (Send-money) operation.

5.7 In the event of non-cash transfer of the amount to be provided, the transferred amount becomes available in real time on the Recipient's respective account.

5.8 Money transfers in the following currencies: AMD, USD, EUR, RUB, are executed via the system. There are certain limitations to all types of money transfer sending (Send-money) operations via the System.

5.9 The amount of one transaction cannot exceed:

- 5 000 000 (five million) AMD, if the money transfer is made in AMD,
- 10 000 (ten thousand) USD, if the money transfer is made in USD,
- 10 000 (ten thousand) EUR, if the money transfer is made in EUR,
- 500 000 (five hundred thousand) RUB, if the money transfer is made in RUB.

5.10 The amount of one transaction cannot be less than:

- 1 000 (one thousand) AMD, if the money transfer is made in AMD,
- 2 (two) USD, if the money transfer is made in USD,

- 2 (two) EUR, if the money transfer is made in EUR,
- 100 (one hundred) RUB, if the money transfer is made in RUB.

5.11 The total amount transferred per month by one person cannot exceed:

- 20 000 000 (twenty million) AMD, or
- 50 000 (fifty thousand) USD, or
- 50 000 (fifty thousand) EUR, or
- 5 000 000 (five million) RUB.

5.12 Except for the limitations established by the Rules, the System operator may set forth additional limitations for the “Send money” and “Pay-out” money transfer operations, about which the System operator shall inform the Participants at least 10 (ten) days prior to the mentioned limitations entering into force.

5.13 If other restrictions different from those established by the Rules are set forth by the state legislation of the Participant’s country or the Participant’s internal rules and regulations, the stricter restrictions shall prevail. The Participant shall inform the System operator on those restrictions during the conclusion of the participation agreement.

5.14 If the restrictions mentioned in Clause 5.13 are established following the conclusion of the participation agreement, the Participant shall inform the System operator about it in writing, at least 5 (five) days prior to these restrictions coming into force. The System operator shall undertake all necessary means (measures) to ensure the application of the restrictions, while informing the Participants about them at the same time.

CHAPTER 6. CUSTOMER SERVICE WITHIN THE SYSTEM

6.1 The Participants shall duly inform the Customers on the following terms of execution of money transfer operations:

- 6.1.1** The list of the required documents, which the Customer shall submit to initiate money transfer operations, and the procedure of their submission,
- 6.1.2** The list of countries and participants, from the service stations whereof the Customers can initiate Money transfer operations,
- 6.1.3** The minimum and maximum amounts of the money to be transferred, as well as other limitations, in the event of such limitations being established by these Rules and the legislation of the Participant’s country or the Participant’s internal procedures,
- 6.1.4** The amount and currency of the Client’s commission fee,
- 6.1.5** The currencies in which the money transfers are executed,
- 6.1.6** The deadline for receipt of the money transfers initiated by the Sender, following which the receipt of the mentioned transfer becomes impossible,
- 6.1.7** Information on the procedures, terms and conditions of the money transfer return (Reversal), money transfer change (Amendment), money transfer call-off (Cancellation),
- 6.1.8** The list of the data to be submitted by the Sender to the Recipient, for the latter to be able to receive the money transfer,

- 6.1.9** The procedure of submission by the Customer of complaint applications regarding the provided services, executed or non-executed operations,
- 6.1.10** The procedure of compensation for the damage incurred to the Customer and dispute settlement in the event of untimely or partial provision of the service or non-execution of the required actions by the Participant,
- 6.1.11** Information on mandatory provision of a receipt to the Client for every money transfer operation,
- 6.1.12** Other information established by the legislation of the Participant's country or the internal procedures of the Participant,
- 6.2** The information established under Clause 6.1 of the Rules shall be deemed duly provided, if clearly and explicitly provided/presented to the Customer via posting the information at the Participant's service stations (leaflets, information stands and other means) and/or publishing it on the Participant's official website in the state language(s) of the Participant's country, and if possible, in other languages as well.
- 6.3** The Sending Party shall initiate the Money transfer sending (Send-money) operation, based on the application submitted by the Sender.
- 6.4** The Sending Party shall ensure the following, while initiating the Money transfer sending (Send-money) operation:
- 6.4.1** Identify the Sender based on the reliable and valid ID documents provided by the latter, in compliance with the Sending Party's state legislation, as well as the procedure established under AML/CTF-related legislation,
- 6.4.2** Inform the Sender on the following, verbally or in writing, before executing the transaction,
- The possible currency options for Money transfer sending (Send-money) operations and those for money transfer payments to the Recipient,
 - The amount and currency of the Customer's commission fee,
 - The list of the Participants, from whose service stations the Recipient can receive the money transfer,
 - About the planned suspension or termination of their or other System participants' participation (the information about which has been published on the System's official website), if further execution of Money transfer sending-related (Send-money) operations by the Sender and other Money transfer operations (Money transfer receipt (Pay-out), Money transfer return (Reversal), Money transfer change (Amendment) and Money transfer call-off (Cancellation)) may be restricted in the future,
 - In the event of being established by these Rules, or the legislation or internal regulations of the Sending party's state, the restrictions to execution of money transfer operations.
- 6.4.3** Receive the money transfer request from the Sender, for which the Money transfer application shall be filled out electronically, based on the information and documents submitted by the Sender and through receipt of the following required minimum information from the Sender:
- The recipient's country,
 - The amount and currency of the Money transfer,

- In the event of non-cash provision, the bank account or payment card account number and the Receiving party's name,
 - The Sender's name and family name or title, phone number, personal identity document data,
 - The Recipient's name/family name or title,
 - The purpose of the Money transfer sending (Send-money),
 - Other data mandatorily required under the legislation of the Participant's country,
- 6.4.4** Submit the Money transfer application to the Sender, to check the specified information and sign the Money transfer application,
- 6.4.5** Receive the money transfer application signed by the Sender,
- 6.4.6** Receive the money transfer amount and the Customer's commission fee, provide the Money transfer receipt,
- 6.4.7** Provide the full information required for the money transfer receipt (Pay-out) by the Recipient,
- 6.5** The Sending party shall decline the Customer's money transfer sending (Send-money) request, if:
- It is impossible to identify or verify the Sender's identity, based on reliable and valid personal identity documents, in cases envisaged under AML/CTF legislation of the Sending party's state,
 - There is a match with the lists of people associated with money laundering, terrorism financing or proliferation of weapons of mass destruction,
- 6.6** The Receiving party shall provide the money transfer amount to the Recipient, based on the application submitted by the latter on the money transfer receipt, if the money transfer is to be provided to them in cash.
- 6.7** If the money transfer is to be provided to the Recipient in cash, the Receiving party shall ensure the following prior to the money transfer provision:
- 6.7.1.1** Find and check the money transfer status, via entering into the System the unique reference number provided by the Recipient,
- 6.7.1.2** Identify the Recipient, as per the legislation of their country,
- 6.7.1.3** Accept from the Recipient the request for Money transfer receipt, following which complete electronically the application for Money transfer receipt based on the information and documents submitted by the Recipient, via requesting the following minimum information from the latter:
- The Recipient's name and last name,
 - The Recipient's personal identity document data,
 - The Recipient's phone number.
- 6.7.1.4** Submit the application for Money transfer receipt to the Recipient, for the latter to check the information specified in the document and sign the application for Money transfer receipt,

- 6.7.1.5** Submit the Money transfer receipt and the Money transfer amount to the Recipient, while keeping the application for Money transfer receipt with them (the Receiving party).
- 6.8** If the money transfer is to be provided to the Recipient in cash, the money transfer amount may be provided to the Recipient in the following cases:
- The money transfer that has not yet been provided to the Recipient is found based on the unique reference number,
 - The Recipient's personal identity document has been presented,
 - Other documents required under the legislation of the recipient state of the money transfer have been presented,
 - The compliance of the information submitted by the Recipient to the data entered into the System during the initiation of the Money transfer sending (Send-money) operation by the Sending party has been verified,
- 6.9** In the event of non-compliance of the information regarding the money transfer specified in the last paragraph of Clause 6.8 of the Rules, the Recipient party shall decline the Recipient's request/application to receive the transferred funds, except for cases envisaged under Clause 6.10 of the Rules.
- 6.10** The Money transfer shall be provided to the Recipient in cases when the inconsistencies are of the following nature:
- 6.10.1** During the initiation of the money transfer sending (Send-money) operation, the presence of 1-2 typos that may be caused by grammatical or abbreviation errors in the data entered into the System, given the widespread misspelling patterns.
- 6.10.2** If the person's patronymic is specified in the Recipient's personal identity document but is missing in the data of the money transfer sending (Send-money) operation,
- 6.10.3** If the person's patronymic is missing in the Recipient's personal identity document but is specified in the data of the money transfer sending (Send-money) operation,
- 6.10.4** If the information on the money transfer sending (Send-money) operation contains the Recipient's name, last name, patronymic in Armenian, Russian or Latin script, and the same is specified in another language in the Recipient's personal identity document, and vice-versa,
- 6.11** If the money transfer is to be provided to the Recipient in cash, the Receiving party shall decline to provide the money transfer to the latter in the following cases:
- Non-submission of the Recipient's personal identity and other documents required under the Recipient party's state legislation,
 - Non-submission of other required information by the Recipient, in compliance with the Receiving party's AML/CTF legislation.
- 6.12** During the Money transfer sending (Send-money) and Money transfer receipt (Pay-out) operations, the matching with the international and internal ML/TF-related lists shall be checked by the System, and

in case of matching, the System shall automatically block the Money transfer sending (Send-money) and/or Money transfer receipt (Pay-out) operations, until the final decision is taken by the System operator. In the event of suspicious transactions revealed during the examination of blocked money transfer operations, the System operator may freeze or decline the execution of the operation.

- 6.13** In the event of matching with the international and internal AM/TF-related lists, the Receiving party may freeze the funds. Under this Clause, the term “freezing of funds” means factual blocking of the financial means directly or indirectly owned or controlled by the persons associated with terrorism or proliferation of weapons of mass destruction and/or blocking, for an indefinite term, of legal documents or instruments in any form, including blocking of the funds directly or indirectly owned, used or controlled/disposed of, and that of the approval or execution of any business relations (including financial services) and one-time transactions.
- 6.14** In the event of non-receipt of money transfer by the Recipient within 180 days from the moment of initiation of the Money transfer sending (Send-money) operation, a short message containing this information shall be sent to the Sender’s phone number.
- 6.15** In the event of non-receipt of the money transfer amount by the Recipient within the time period specified under Clause 6.14 of the Rules, the Money transfer amount may be returned to the Sender within three years from the moment of initiation of Money transfer sending (Send-money) operation; otherwise, the funds unclaimed by the Sender shall be recognized as the System operator’s property, as per the RA legislation. The provisions of this Clause shall be effective, unless otherwise stipulated by the participation agreement.
- 6.16** In the event of non-receipt of the money transfer amount by the Recipient within the time period specified under Clause 6.14 of the Rules, the Sender may initiate Money transfer return (Reversal), via submitting the respective application to the System Participant wherefrom the Money transfer sending (Send-money) was initiated.
- 6.17** The Participant accepting the Sender’s money transfer return (Reversal) application and submitting the money transfer amount to the latter shall identify the Sender, based on the latter’s identity document, in compliance with the state legislation, and implement other checks, to verify that the person who initiated the money transfer sending is the same one that submitted the transfer return (Reversal) application.
- 6.18** The Sender may implement money transfer change (Amendment), via submitting the respective application to the Participant, through which the Money transfer sending (Send-money), now subject to change, was initiated, and mentioning the reason for the money transfer change (Amendment). The provisions of this Clause shall be effective, unless otherwise stipulated by the participation agreement.
- 6.19** The Participant accepting the Sender’s application for Money transfer change (Amendment) shall identify the Sender based on the latter’s identity document, in compliance with their state legislation.
- 6.20** In the event of Money transfer change (Amendment), it is allowed to only change the data of the Recipient’s name, middle name, last name and patronymic.

- 6.21** It is allowed to initiate Money transfer change (Amendment) prior to the receipt of the Money transfer (Pay-out) by the Recipient.
- 6.22** The Sending party shall initiate money transfer call-off (Cancellation), based on the application submitted by the Sender or upon their own initiative.
- 6.23** The Sender may call-off the money transfer (Cancellation), via submitting the relevant application to the Participant, through which the money transfer sending (Send-money), that is subject to cancellation, was initiated, specifying the reason for cancellation.
- 6.24** The Money transfer call-off (Cancellation) may be initiated within 180 days from the moment of initiation of Money transfer sending (Send-money) operation.
- 6.25** On the Sending party's initiative, the money sending call-off (Cancellation) may be initiated in cases when the registration of money transfer sending (Send-money) operation in the System resulted from the employee's mistake, or software or technical failure.
- 6.26** The Money transfer call-off (Cancellation) may be initiated by the System operator in the following cases:
- 6.26.1** In case of transfer subject to provision in cash to the Recipient, if the participation in the System by the Participant which is also the Receiving Party has been suspended or terminated,
- 6.26.2** In case of emergence of circumstances beyond the Sender's or Recipient's control, which render the money transfer provision to the Recipient impossible.
- 6.27** In case of Money transfer call-off (Cancellation) by the System operator, the latter shall inform the Sender and the Participant servicing thereof and therethrough the Money transfer sending (Send-money) operation was initiated, about it, and the latter shall ensure the return of the Money transfer amount and the Customer's commission fee to the Sender.
- 6.28** The irrevocability moment in the System, in the event of cash provision to the Recipient, is the moment of money transfer provision to the latter, and in the event of non-cash provision to the Recipient, the moment of approval/ accepting of the Receiving Participant's payment.
- 6.29** The Participant receiving the Sender's application for Money transfer call-off (Cancellation), change (Amendment), or return (Reversal) shall identify the Sender, based on the latter's identity document, in compliance with the state legislation, and implement other checks, to verify that the person who submitted the aforementioned application is the same one that submitted the Money transfer application.
- 6.30** The Participants shall provide receipts to the Customer for every Money transfer operation.

CHAPTER 7. TARIFF POLICY

7.1 The size of the Customer's commission fee shall be determined by the System operator and published on the System's official website at www.ubpay.am.

- 7.2** The size of the Customer's commission fee may be unilaterally amended by the System operator, via informing the Participants about it, in compliance with the terms and procedure established by the Participation agreement signed between the System operator and the Participant.
- 7.3** The Customer's commission fee shall be charged solely from the Sender for the remittance-sending (Send-money) operation.
- 7.4** The charged commission fee may be returned to the Customer in cases envisaged under Clause 7.12 of the present Rules.
- 7.5** No Customer's commission fee shall be charged from the Sender for money transfer receipt (Pay-out), money transfer return (Reversal), money transfer change (Amendment), or money transfer call-off (Cancellation).
- 7.6** The Customer's commission fee shall be calculated as a fixed amount and/or percent for the Remittance amount range.
- 7.7** The Customer's commission fee shall be calculated, depending on:
- 7.7.1** Remittance provision option (provision of the remittance to the Recipient in cash or non-cash),
 - 7.7.2** Remittance currency,
 - 7.7.3** Remittance amount,
 - 7.7.4** Sender's and Recipient's countries.
- 7.8** The System operator may determine the minimal and maximal amounts of the Customer's commission fee.
- 7.9** For the Remittance sending (Send-money), the commission fee charged from the Sender may be distributed among the Sending party, the System operator and the Receiving party as commission fees of Sending party, the System operator and the Receiving party accordingly.
- 7.10** The amount and distribution procedure of the commission fees of the System operator, Sending and Receiving Participants shall be determined based on the participation agreement signed between the System operator and the Participant.
- 7.11** In the event of money transfer, the Customer's commission fee may be distributed among the Sending party, the System operator and the Receiving party as a fixed amount and/or percent established for a commission fee range.
- 7.12** In the event of cancellation of the money transfer, the Customer's commission fee paid by the Sender shall be returned to the Client, if the cancellation is initiated within 24 hours from the moment of Money transfer sending(Send-money); otherwise the Commission fee shall not be returned to the Client.
- 7.13** In the event of Money transfer return (Reversal), the Customer's commission fee charged from the Sender shall not be returned to them.

- 7.14** In the event of non-cash provision of the transfer, the Customer's commission fee shall not be returned to the Sender, if the Receiving party has not been able to credit the Recipient's account, due to the information misrepresented by the Sender.
- 7.15** The Customer's commission fee shall be calculated by the currency of the remittance within the System.
- 7.16** In the event if the remittance is initiated in the RA territory, in AMD or other currency, and is subject to provision to the Recipient in another country, the Sending party shall charge the Customer's commission fee from the Sender in AMD, in compliance with the RA legislation, calculated by the average currency rate published by the RA Central Bank as of the date of initiation of the remittance sending (Send-money), or by the settlement rate established by the commercial bank. In the latter case, the Sending party's liability with regard to the commission fee due to the Receiving party shall be calculated in AMD, by the average currency rate published by the RA Central Bank as of the date of initiation of remittance sending (Send-money). Following the remittance receipt (Pay-out) by the Recipient, the amount of the Receiving party's claim with regard to the commission fee shall be calculated in the same currency the Money transfer sending (Send-money) was initiated.
- 7.17** In the event if the money transfer is initiated beyond the RA territory, the Sending party shall charge the Customer's commission fee from the Sender, in the currency of the Remittance amount, unless otherwise stated by the legislation of the country wherefrom the remittance is initiated. Regardless of the currency in which the Sending party has charged the Customer's commission fee from the Sender, the Sending Party's liability with regard to commission fees due to the System operator and the Receiving party shall be calculated in the currency of the remittance amount. Following the receipt of the remittance (Pay-out) by the Recipient, the amount of the Receiving party's claim with regard to their Commission fee shall be calculated in the currency in which the Money transfer sending (Send-money) has been initiated.
- 7.18** In the event if the remittance is initiated and provided in the RA territory, the Sending party shall charge the Customer's commission fee from the Sender in AMD, in compliance with the RA legislation, calculated by the average currency rate published by the RA Central Bank as of the date of initiation of the remittance sending (Send-money). In that case, the Sending party's liability with regard to the commission fee due to the System Operator and the Receiving party shall be calculated in AMD, by the average currency rate published by the RA Central Bank as of the date of initiation of remittance sending (Send-money). Following the remittance receipt (Pay-out) by the Recipient, the amount of the Receiving party's claim with regard to the commission fee shall be calculated in AMD, by the average currency rate published by the RA Central Bank as of the date of initiation of remittance sending (Send-money), regardless of the currency of the remittance.
- 7.19** The distribution of the commission fees between the System operator and the Participant shall be carried out in accordance with the provisions of the participation agreement signed between them, and a common approach shall be applied to the Armenian participants of the System.

7.20 In the event of AMD, the amount shall be rounded to one decimal place, and in the case of foreign currency, to two decimal places within the System.

CHAPTER 8. SYSTEM OPERATION TIMELINE

8.1 Yerevan time shall be taken as the basis for the System operation timeline.

8.2 The period from 00:00 of each working day to 23:59 of the next working day shall be considered a settlement phase.

8.3 If a Working day is followed by a non-Working day(s), the non-working days shall be included in the settlement phase, i.e. the period from 00:00 of the last Working day to 23:59 of the first working day following it shall be considered Settlement phase.

8.4 More than one calendar day may be included in a Settlement phase.

8.5 During the settlement phase, money transfer operations, determination of the net debit limit, clearing and final settlement and other operations shall be carried out within the following terms:

Operation	Yerevan time
Acceptance and processing of money transfer operations initiated by the Participants, based on the Customers' applications	During the Participants' working days and hours
Implementation of clearing by the Processing/clearing center and preparation and submission of the final settlement for the previous Settlement phase and the freezing order for the new Settlement phase to the Settlement bank	By 11:30 a.m. following the end of the Settlement phase
Implementation of the final settlement and freezing of funds, based on the freezing order, by the Settlement bank	Within half an hour following the receipt of the final settlement and freezing order, if the latter was submitted between 9:30 and 16:30. If the order is submitted after 16:30, it shall be executed at the beginning of the next working day.
Submission of a request by the Participants for the net	During the Participants' working

debit limit change	days and hours
Based on the Participants' request to change the net debit limit, the submission of a freezing order to the Settlement bank by the Processing/clearing Center	Within 15 minutes following the order receipt

CHAPTER 9. CLEARING AND FINAL SETTLEMENT IN THE SYSTEM

9.1 Clearing and final settlement in the System shall be carried out separately, according to each transfer currency (AMD, USD, EUR, RUB) established by the present Rules.

9.2 Clearing and final settlement shall be implemented within the System according to the principle of multilateral netting.

9.3 During each Money Transfer operation mentioned below and executed during the Settlement phase, the Participants shall be liable to pay (hereinafter referred to as *Liability*) or claim to receive money (hereinafter referred as *Claim*) to/from the System Operator and vice versa, in particular:

9.3.1 During the Send-money operation executed by the Participant, the Sending party shall incur liability to the System Operator, while the System Operator shall have a claim against the Sending party for a total sum of the Money Transfer amount and commission fees due to the System operator and the Receiving party. During the Pay-out operation executed by the Participant, the Receiving party shall have a claim against the System Operator, and the System Operator shall incur liability to the Receiving party in the amount of the Money Transfer and the share due to the Receiving party from the Commission fee or income calculated in another way.

9.3.2 During Reversal and Cancellation of Money Transfer operations executed by the Participant, the Participant returning the money to the Sender shall have a claim against the System operator, while the latter shall incur a liability to that Participant in the amount of the Money Transfer, and in case of return of the Commission to the Customer, also to the System operator and the Receiving Party in the amount of the total sum of the shares due from the Commission fee or income calculated in another way.

9.4 At the end of the settlement phase, the Processing/clearing center shall carry out the netting of the mutual claims and liabilities of the System operator and each Participant specified in Clause 9.3 of these Rules, in the result of which a net debit or credit position shall be formed for each Participant in relation to the System operator, as per each transfer currency established by the present Rules.

9.5 If during the Settlement phase the total amount of the Participant's Money Transfer operations forming claims exceeds the total amount of the operations forming liabilities, the System operator shall have a net debit position (net debit liability) to the Participant in the amount of the difference.

- 9.6** If during the Settlement phase the total amount of the Participant's Money Transfer operations forming liabilities exceeds the total amount of the operations forming claims, the Participant shall have a net debit position (net debit liability) to the System Operator in the amount of the difference.
- 9.7** Each Participant shall have the opportunity to access information on their net position through the System software.
- 9.8** In order to ensure a general final settlement in the System, all the participants shall have payment accounts in the Settlement Bank as per each transfer currency (AMD, USD, EUR, RUB).
- 9.9** The general final settlement in the System shall be carried out by the Settlement Bank using the funds previously frozen (deposited) on the payment accounts of the Participants in the Settlement Bank.
- 9.10** The general final settlement shall be implemented on every working day for each Settlement phase, with regard to the operations executed in the previous Settlement phase and according to the timeline established by the present Rules.
- 9.11** The Settlement bank shall ensure the implementation of the final settlement and provide the Participants with the information on the withdrawal or entry of funds from the payment accounts of the participants, as well as the results of freezing the funds for the next settlement phase.
- 9.12** The limits defined by the present Rules shall be applied to provide guarantees for ensuring the final settlement in the System and to contain risks.
- 9.13** All System Participants shall set their net debit limits according to each transfer currency established by the present Rules (AMD, USD, EUR, RUB).
- 9.14** Funds equal to the net debit limit credited by the participant shall be frozen (deposited) on the Participant's payment account in the relevant currency at the Settlement bank.
- 9.15** All the Participants shall have real-time access to the System software to manage or modify their own net debit limit.
- 9.16** The Participant's net debit limit may be changed by the Participant 24/7 during the Settlement phase, in accordance with the present Rules. In addition, if the order to modify the net debit limit has not yet been approved by the System, the new orders to modify the net debit limit sent later shall not be accepted by the System.
- 9.17** If, during the Settlement phase, the Participant submits an order for modifying the net debit limit, which is smaller than the amount of the Participant's current net debit liability, the order to modify the net debit limit submitted by the Participant shall be rejected.
- 9.18** Based on the order to modify the net debit limit submitted by the Participant, the Settlement bank shall freeze the funds available on the Participant's payment account in the amount specified in the freezing order, if the funds available on the mentioned account are equal to or exceed the amount of the submitted net debit limit. The Settlement bank shall partially fulfill the order to freeze the funds in the amount equivalent to the net debit limit, if the funds available on the Participant's payment account are not sufficient for the freezing (deposit) thereof in the amount of the net debit limit.

- 9.19** The Settlement Bank shall inform the Participants about the actual freezing of funds. Based on the information on the actual freezing of funds received from the Settlement bank, the System shall modify the amount of the net debit limit of the Participant who submitted the order to modify the net debit limit.
- 9.20** At the beginning of the new Settlement phase, if the Participant has not submitted an order to modify the net debit limit, the net debit limit of the Participant's new Settlement phase shall be set as the net debit balance of the Participant participating in the clearing, if the net debit balance is less than the registered (confirmed) net debit balance in the System for the Participant, otherwise, if the net debit balance is greater than or equal to the net debit limit, the net debit limit of the previous Settlement phase shall be considered, and the net debit balance shall be deemed as equal to the net debit limit. The Participant's net debit limit of the new Settlement phase shall be specified as the amount to be frozen for the Participant in the final settlement and freezing order addressed to the Settlement bank.
- 9.21** The Settlement bank shall reject the order to freeze the funds equivalent to the Participant's net debit limit, if there are no funds available on the Participant's account.
- 9.22** One or two thresholds of the net debit limit usage ratio set by each Participant shall be ensured within the System, and if the Participant exceeds it, the System shall send a notification and/or warning to the Participant. The net debit limit utilization ratio shall be calculated as a ratio of the Participant's net debit liability to the net debit limit.
- 9.23** The System operator shall send to the Participants reports on the actions performed by sending those to the Participant through the agreed channel of communication.
- 9.24** The System operator shall send to the Participants statements on the transactions executed in the System, expressed in the relevant currency, which shall reflect the crediting and withdrawal of funds to/from the Participants' Accounts.
- 9.25** While concluding bank account contracts with the System operator, the Participants shall authorize to withdraw funds from the accounts without additional instructions from the Participants.
- 9.26** The System operator has the right to issue payment orders to the Participants for additionally provided payment infrastructure services, as well as issue loans to the Participants for making payments within the System.
- 9.27** The frequency of the settlements between the System operator and the Participant and the terms thereof shall be determined under the participation agreement signed between them.
- 9.28** The supervision over the settlements with the Participants shall be implemented through software which enables to ensure the following:
- "Clearing report", which contains brief data on money transfers within UBPAY International Payment System,
 - "Export control" report, which contains detailed data on transfers and accounting credits, which have not been downloaded on an operational day or have been loaded with errors.

- 9.29** The Participant who has received the funds shall be notified electronically on the crediting thereof, specifying the details of the executed order and the execution date thereof.
- 9.30** The System participant shall receive a notification on the fund flow in the form of an account statement.
- 9.31** In the event of fund flows during the working day, the reference shall be issued no later than on the working day following the transaction day.
- 9.32** If no transactions have been executed through the System Participant's account, no notification shall be sent for that day.
- 9.33** The Participants may send an inquiry through the System at any time and receive and (or) access the following information:
- 9.33.1** The amount of net debit limit within the System, as per each transfer currency established under these Rules,
- 9.33.2** The current net debit balance, as per each transfer currency established under these Rules,
- 9.33.3** The current amount of the net debit limit usage ratio,
- 9.33.4** The amount of the largest money transfer operation, with regard to which the final settlement has not yet been carried out, and the time of its implementation.

CHAPTER 10. RIGHTS AND OBLIGATIONS OF THE SYSTEM OPERATOR

The System operator shall:

- 10.1** Open and maintain the Participants' payment accounts in each transfer currency specified by the present Rules.
- 10.2** Develop and approve the regulations of the System operation, including the present Rules, implement amendments and addenda thereto, exercise control over compliance with the requirements set by the rules, including with regard to risk assessment and management by the Participant.
- 10.3** Ensure the publication of the present Rules on the System's official website at www.ubpay.am
- 10.4** In case of amendments to the present Rules, provide opportunity for the Participants to familiarize themselves with the envisaged amendments to the Rules and submit their opinions, according to the procedure established by the present Rules.
- 10.5** Develop the System development strategy, explore the possibilities of using new tools and services, and ensure their introduction.
- 10.6** Maintain and publish the list of the Participants' service stations on the System's official website (www.ubpay.am).
- 10.7** Organize and ensure risk management within the System, monitor and assess the risks in the system, ensure operation continuity of the System.
- 10.8** Develop the System's information security policy and ensure its application in the System.

- 10.9** Promptly inform the Participants on the temporary suspension and/or disruptions of the money transfer operations executed through the System, following the emergence of such circumstances, by publishing the appropriate information on the System's official website (www.ubpay.am) and/or sending it to the System entities through the agreed upon communication channel specified in the agreement concluded with the System operator.
- 10.10** Develop the AML/CTF policy and introduce effective mechanisms for the exclusion of money transfer operations executed through the System for the purposes of ML/TF, including ensuring that the list of the persons associated with terrorism or proliferation of weapons of mass destruction is entered into the System software.
- 10.11** Develop internal risk management documents aimed at specification of the risk management model, determination of additional risk management measures and methods, and implementation of other functions.
- 10.12** In accordance with the legislation of the Republic of Armenia, identify and examine possible ML/TF cases, ensuring the freezing or rejection of money transfer operations, if needed.
- 10.13** Ensure the freezing of the Customer's funds in case of the Customer's matching with the lists of persons associated with the financing of terrorism.
- 10.14** Examine the cases of fraud and misuse implemented through the System, develop a policy aimed at the prevention and reduction thereof, and introduce relevant mechanisms.
- 10.15** Determine the amount of the Commission fee chargeable from the Sender in case of money transfers.
- 10.16** Ensure the acceptance of the Participants' and Customers' application-complaints and inquiries on System operation, and process them in accordance with the procedure and terms established by Chapter 17 of the present Rules.
- 10.17** Inform the Participants on the changes in the System's technical and software terms at least 3 (three) months in advance, if a need for technical and software changes may arise for the Participant in the result of such changes.
- 10.18** Notify the Participants at least 1 (one) working day in advance on the cases of suspension of the System's operation due to routine inspections or technical interventions by the Processing/clearing Center.
- 10.19** In case of receiving objections from the Participants regarding the day of implementation of the mentioned routine inspections or technical interventions by the Processing/clearing center, within 1 working day following the receipt of the information, propose a new day for the implementation of such works by the Processing/clearing center within one month from the moment of receipt of such a notification.
- 10.20** Before posting any kind of advertisement information (including previously published in mass media) on the Participant's activities, agree upon it with the Participant.
- 10.21** In case of changes in the scope of the Participants' services and service stations, inform the other participants about those changes at least 5 (five) working days prior to the implementation thereof.

- 10.22** Express opinions/positions to the Participant with regard to draft responses to the customer application-complaints no later than within 3 (three) working days from the receipt of the draft, unless this violates the requirements for bank secrecy compliance.
- 10.23** Ensure processing and protection of the Customers' personal data in accordance with the procedure established by the present Rules and the RA legislation.
- 10.24** Ensure publication on the System's official website of the information on the terms within which the Recipient can receive the money transfer after initiation of the Money transfer sending (Send-money) operation.
- 10.25** Ensure publication of information on suspension and termination of the Participants' participation on the System's official website.
- 10.26** Ensure the collection, processing and maintenance of confidentiality of information considered a secret, in accordance with the procedure established by the present Rules and the RA legislation.
- 10.27** Perform other duties established by the present Rules, the RA legislation, and the agreement signed with the participants.
- 10.28** In case of a Foreign Participant's participation in the System, the System Operator shall also:
- 10.28.1** Collect sufficient information to determine the nature of the Participant's activities and, pursuant to public and other reliable information, assess the Participant's business reputation and the quality of control thereof, including whether the Participant has been or is currently involved in any ML/TF-associated criminal prosecution or any other proceedings,
- 10.28.2** Assess the AML/CTF procedures implemented by the Participant, to ensure their sufficiency and efficiency,
- 10.28.3** Document the Participant's relevant AML/CTF responsibilities, unless explicitly known,
- 10.28.4** Ascertain that the Participant is not a fraudulent financial entity. The System Operator shall not approve the participation of fraudulent financial organizations in the System.

The System operator has the right to:

- 10.29** Unilaterally make amendments to these Rules, informing all the System participants of the envisaged amendments at least 1 (one) month prior to the decision coming into force.
- 10.30** Involve new System Participants, conclude participation agreements with them.
- 10.31** Reject the Participant's candidate's application to participate in the System, if the Participant's candidate does not meet the participation criteria defined by the present Rules, as well as in cases envisaged under the RA legislation.
- 10.32** Check the degree of compliance of the Participant's participation in the System and the services provided by the latter with the present Rules and other documents regulating the System's operation.
- 10.33** Suspend and terminate the Participant's participation in the System or apply other liability measures to them, as envisaged under the present Rules, in cases and in compliance with the procedure established thereby.

- 10.34** Unilaterally amend the amount of the Commission fee charged from the Customers in the event of money transfers and inform the Participants about it at least 15 (fifteen) days prior to the amendments coming into force, via publishing the information on the System's official website (www.ubpay.am) and/or sending a notification to the Participants, via a communication channel agreed upon with them and specified in the participation agreement signed thereof.
- 10.35** Collect, process and store the Customers' personal data of in accordance with the requirements of the RA legislation.
- 10.36** Organize and implement activities aimed at the promotion and expansion of the services provided through the System, as well as develop and implement incentive programs for the Customers and Participants.
- 10.37** Use the Participant's trademark and name, with the latter's consent, when preparing and posting advertisement and information materials.
- 10.38** If required, request and receive from the Participant additional information about the Customer, to minimize the AML/CTF risks.
- 10.39** If required, provide the information specified in Clause 5.2.37 of the present Rules to the sending or receiving parties, via sending it to the e-mail specified by the latter, both during the implementation of the money transfer operation and further on, for the current due diligence of the customers, as well as monitoring of transactions.
- 10.40** For AML/CTF purposes, establish rules for the Participants, while ensuring compliance with the RA legislation on AML/CTF.
- 10.41** To make inquiries and receive information from the System Participants on the operations carried out by them through the System, as well as on the Participants and their actual beneficiaries.
- 10.42** Develop and implement amendments to the requirements for the storage of information and payment settlement documents on the implementation of Money transfer operations.
- 10.43** In addition to the restrictions set forth by the present Rules, unilaterally determine and apply other restrictions on the volume and number of the Money transfer operations executed by the Participant, based on the restrictions envisaged by the Central Bank of the RA or international entities, notifying the Participant at least 5 (five) working days in advance, indicating, if possible, the term of application of the mentioned restrictions.
- 10.44** Exercise other rights set forth by the present Rules and/or the agreements concluded between the System operator and the System participants.

CHAPTER 11. RIGHTS AND OBLIGATIONS OF THE PROCESSING/CLEARING CENTER

The Processing/clearing center shall:

- 11.1** Ensure the collection, processing and storage of information on Money Transfer operations.
- 11.2** Ensure continuous provision of processing and clearing services.

- 11.3** Accept and process the Participants' messages relating to money transfer operations, check the compliance of the messages submitted by the Participants with the established requirements.
- 11.4** Calculate the net positions of the Participants and the System Operator, in compliance to the procedure established by the present Rules.
- 11.5** In accordance with the terms and procedure set forth by the present Rules, submit to the Settlement bank the Participants' and the System Operator's net positions for each settlement phase, as well as issue the order on the final settlement to the Settlement Bank, in compliance with the terms and procedure established by the present Rules.
- 11.6** On the basis of the information provided by the System operator and the Participants, maintain the Net debit limits of the latter, and submit to the Settlement bank an order to freeze the amounts equivalent to the set net debit limit, within the terms and in compliance with the procedure set forth by the present Rules.
- 11.7** According to the present Rules, check the Participants' net debit balance prior to execution of the Send-money operation, and, in the event of sufficiency thereof, approve the execution of the operation initiated by the Participant, or reject it, in the event of insufficiency.
- 11.8** Generate and provide the unique money transfer reference number at the moment of initiation of the Send-money operation.
- 11.9** Ensure the entry of information about the new Participants and their service stations into the System's information and software system, as well as remove from the System the information on the Participants and their service stations.
- 11.10** Ensure the generation and provision of the public key certificates to the Participants.
- 11.11** Ensure System administration, develop manuals and documents for System software use.
- 11.12** Ensure the security of information circulating in the System, including via implementing measures aimed at the protection of the System's internal and external information network, in compliance with the requirements established under the System's Rules, the information security policy developed by the System operator and the RA legislation.
- 11.13** Ensure the safety of the equipment, servers, workstations installed in the Processing/clearing Center that ensure the operation of the System.
- 11.14** Maintain the information on the money transfer operations executed through the System and the electronic versions of the payment and settlement documents for at least 5 (five) years.
- 11.15** Ensure the Customers' personal data protection, in compliance with the procedure established by these Rules and the RA legislation.
- 11.16** Ensure the collection, processing, storage and non-disclosure of confidential information, in compliance with the procedure established by these Rules and the RA legislation.
- 11.17** Implement other rights established by the RA legislation, the present Rules and agreements concluded with the System participants.

The Processing/clearing center has the right to:

- 11.18** Identify and implement changes to the technical specifications of the software operation.
- 11.19** Identify technical and software means for the implementation of their duties.
- 11.20** Implement other rights established by the present Rules and agreements concluded between the System Participants.

CHAPTER 12. THE SETTLEMENT BANK'S RIGHTS AND OBLIGATIONS

The Settlement Bank shall:

- 12.1** Ensure final settlement for money transfer operations executed through the System, for each Settlement phase, based on the final settlement execution order received from the Processing/clearing center, according to the System work timeline.
- 12.2** Freeze the funds available on the Participants' payment accounts, based on the freeze order received from the Processing/clearing center, in compliance with the procedure established by the present Rules.
- 12.3** Submit information on the freeze to the Processing/clearing center and the Participants, following the freezing of the funds available on the Participants' payment accounts.
- 12.4** Perform crediting and debiting to/from the Participant's payment accounts, based on the Processing/clearing center's order.
- 12.5** Submit information to the Participants, after performing crediting and debiting to/from their payment accounts, on crediting and debiting of funds to/from the latter's payment accounts.
- 12.6** Ensure the uninterrupted provision of the settlement services.
- 12.7** Ensure the collection, processing, storage and non-disclosure of confidential information, in compliance with the procedure established by these Rules and the RA legislation.
- 12.8** Perform other obligations set forth by these Rules and the RA legislation.

The Settlement bank has the right to:

- 12.9** Receive any information from the System operator required for proper implementation of the obligations established under these Rules.
- 12.10** Perform other obligations set forth by these Rules.

CHAPTER 13. THE PARTICIPANTS' RIGHTS AND OBLIGATIONS

The Participant shall:

- 13.1** Implement activities in the system in accordance with the present Rules,

- 13.2** Independently ensure their technical and technological ability to connect to the System and operate the software used in the System, in accordance with the procedure established by the System rules,
- 13.3** Initiate the registration process of their service points and the implementation of changes in the list thereof, providing to the System operator all the necessary information on the service stations in compliance with the procedure established by the present rules,
- 13.4** Notify the System operator in advance on the working hours of their service stations and the changes thereof, in accordance with the procedure established by the present rules,
- 13.5** At the System operator's request, provide the documents and information regarding the Money Transfer operations executed by them through the System in compliance with the procedure and within the framework established by the legislation of their country,
- 13.6** At the System operator's request, provide copies of payment and settlement documents and any other information related to the Money transfer executions through the System in compliance with the procedure and within the framework established by the legislation of their country,
- 13.7** Immediately inform the System operator on any factor affecting the implementation of one's duties,
- 13.8** At the System operator's request, provide information on oneself, the founders and real beneficiaries thereof,
- 13.9** Exert maximum efforts to duly familiarize oneself with and follow the information (notifications) sent by the System Operator,
- 13.10** Have a separate department or an appointed authorized person that shall be responsible for cooperation with the System Operator,
- 13.11** Accept and examine the Customers' applications and complaints, and inform the Customer on the decision made within a maximum term of 30 days, having received the the System operator's opinion/position prior to responding to the Customer, in compliance with the procedure and terms established under Chapter 17 of the present Rules,
- 13.12** Familiarize the Customers with the terms and conditions of money transfer operations execution in accordance with the present rules, their internal procedures and the legislation of their country,
- 13.13** Provide Customer service at all their service points,
- 13.14** Execute the Customers' money transfer operations orders during the working hours established by them,
- 13.15** Abstain from collecting fees from the customers, other than the Commission fee charged for money transfer sending (Send-money) operation,
- 13.16** Ensure the correct and complete entry into the System's software system of information on all the operations executed by them within the framework of the System,
- 13.17** Ensure the Customer's identification in accordance with the AML/CTF legislation of their country, as well as, if required, with the System operator's requirements, on the basis of reliable and valid identification and other documents provided by the latter.

- 13.18** Maintain the payment and settlement documents certifying the execution of money transfer operations, in hard copy and electronically, as well as other information on the executed Money transfer operations, in compliance with the procedure and terms established by the legislation of their country, but no less than for 5 (five) years,
- 13.19** In the event of a disputable situation related to the money transfer operations executed through the System, support the System operator, including by providing to them the requested information and documents,
- 13.20** Implement the required AML/CTF measures, to prevent operations executed for the purposes of ML/TF, reject the execution of the Customers' requests in cases and in compliance with the procedure established by the present Rules, the internal procedures and legislation of the country thereof,
- 13.21** In the event of suspension or rejection of the money transfer operations, or freezing or unfreezing of the Customer's funds for the purposes of AML/CTF, inform the System operator on it no later than on the working day following the specified incident.
- 13.22** Provide information and documents at the System operator's request, to comply with the requirements of AML/CTF legislation and to prevent ML/TF,
- 13.23** Agree in advance and in writing with the System operator on the publication of any type of information regarding the System operator and the System, including advertising information,
- 13.24** Publish information on their official website regarding the possibility of money transfer operations execution through the System,
- 13.25** Within 1 month from the moment of the agreement concluded with the System operator entering into force, ensure posting of information and advertising materials related to their participation in the System at the service points thereof, including that of the System trademark,
- 13.26** Ensure the safety of the installed equipment, servers, and workstations enabling the System operation,
- 13.27** Ensure the processing and protection of the Customers' personal data, in accordance with the present rules and the legislation of their country,
- 13.28** Ensure the collection, processing, storage and non-disclosure of confidential information, in accordance with the rules and the legislation of their country,
- 13.29** In the event of non-fulfillment or improper fulfillment of their obligations established by the present Rules, the agreement concluded with the System operator and the legislation of the Republic of Armenia, bear responsibility in accordance with the procedure established by the present Rules,
- 13.30** Perform other duties established by the present Rules, the RA legislation, the agreement concluded with the System operator, including measures set forth by the System rules for the purposes of risk management.

The Participant has the right to:

- 13.31** Formulate (document) the acceptance and disbursement of funds, in accordance with the legislation of their country, without contradicting the present rules,

- 13.32** Independently establish its operational day, i.e. the term during which it shall provide Customer service,
- 13.33** Temporarily suspend or terminate their participation in the System, in accordance with the procedure established by the present Rules,
- 13.34** Submit to the System operator recommendations on improvement of the System's operation, as well as comments, complaints and requests regarding the System's operation,
- 13.35** With the System operator's consent, to independently develop, disseminate or publish advertising and other types of information, using the System's trademark,
- 13.36** With the System operator's consent, to include information on the services provided by them through the System in the advertising and informational materials,
- 13.37** Charge the Sender a Commission fee for the execution of money transfer operations, in accordance with the procedure established by the present Rules,
- 13.38** Get access to the operations reports formed in and executed through the System, in compliance with the procedure established by the present Rules,
- 13.39** Request and receive information on the status of the money transfer operation, the commission fee, and the System operation,
- 13.40** Receive from the System operator any information required for the proper fulfilment of the obligations established by the System rules,
- 13.41** Implement other rights established by the present Rules or the agreement concluded with the System operator.

CHAPTER 14. TECHNICAL TOOLS AND SOFTWARE OF THE SYSTEM

- 14.1** To ensure communication between the System and the Participants, the latter shall be provided with documentation specifying the features of the System API and limited access to the relevant System websites.
- 14.2** Following the conclusion of the relevant agreements, the applicant organization shall obtain the status of a System participant, and the System operator shall execute the required technological actions, in compliance with the established procedures, to connect the participant to the system and store the relevant information in the System's electronic library, with the appropriate identifiers enabling to uniquely identify the participant.
- 14.3** The communication between the System and participants shall be provided through two types of interfaces:
- Through a remote integration service (API), in the event of which the participants shall independently develop and test the developed program (or modules) using the API system description.

- Through software, in the form of a web interface enabled to directly address systems through integration services (API).
- 14.4** The system is a closed one, and the Participants' activity shall be ensured via providing access to their specific IP addresses, using a secure hypertext exchange protocol and security certificates, as well as a VPN, while taking into account the features of the participants and security.
 - 14.5** The electronic exchange of the payment documents and orders in the system shall be carried out using protected service methods, through the use of security certificates.
 - 14.6** The security certificates shall constitute digital certificates issued on the basis of public key infrastructure and shall be issued by the certification center operating in the System.
 - 14.7** The Participant shall form a certification request to receive a digital identity certificate, based on which the certification center shall issue a digital certificate.
 - 14.8** The digital certificate shall be provided to the Participant's responsible representative via e-mail, having previously encrypted the zip or rar archive containing the digital certificate.
 - 14.9** The archive password shall be provided to the Participant's responsible representative via sending an SMS message to their mobile number.
 - 14.10** The digital certificates shall be renewed once a year.
 - 14.11** Two weeks prior to the expiration of the validity term of the certificate, the the System operator's responsible person shall undertake measures to renew (reissue) the Participant's digital certificate.
 - 14.12** The certificates shall be backed up on other media or on another server containing media.
 - 14.13** The space of the drives containing certificates shall be encrypted with a password.
 - 14.14** All data exchange between the Participant's server and that of the System Operator's providing API shall be carried out through an SSL (HTTPS) protected connection. Working with API over an open connection (HTTP) shall not be allowed.
 - 14.15** Through the front office of the System website, the Participants' employees shall have the opportunity to initiate Money transfer operations, check the status of the money transfer operation, and perform other actions envisaged for the Participant.
 - 14.16** Through the System management website, the Participant's employees shall have the opportunity to apply for setting a net debit limit, make inquiries about clearing and final settlement, check the status of and get information on money transfer operations, as well as perform other actions established for the Participant.
 - 14.17** The servers used in the System consist of application servers, web servers, databases, and servers providing micro services (Microservices), which ensure load distribution of incoming requests in the systems.
 - 14.18** The application server software components comprise the following software:

- An operations application, which is a set of basic software tools and modules for the execution of money transfer operations, which includes: Message and Document Management Module, Transaction Execution Module, WLF Module, Participant Management Module, Commission Management Module, Net Debit Limit Monitoring Module, the Clearing Implementation Module, the Security Management Module and the Reports and Statistics Module.
- A user application, which is a software module for working with the Participant's employee and the user of the System's official website through an external interface.
- An electronic messaging program to ensure communication with the Settlement Bank.
- WLF administration website, which is intended for the monitoring, proper examination, freezing, rejection or confirmation of the monetary operations executed by the System operator through the System,
- An application program for sending and receiving short messages, which enables sending messages to the Customers on the status of money transfer operations executed through the System,
- An e-mail application program, designed for answering questions submitted by Customers via e-mail through the System's official website (www.unibank.am), as well as sending information (notifications) to the Participants.
- A reporting application program, designed for easy and convenient reporting by the Participants via using the program toolkit.

14.19 The System shall be comprised of:

- repositories,
- customer service programs.

14.20 The Reporting System shall enable to:

- View report results,
- View active reports,
- Manage and administer user groups,
- Plan and manage reporting.

14.21 The monitoring subsystem shall automate the monitoring process of the System Operator's and Participants' workstations, which will monitor all the online transactions.

14.22 The monitoring subsystem shall provide the following up-to-date information:

- on all performed transactions,
- maintained but unsent final financial registers,
- partially unsent registers (open and closed),
- on transfers and receipts (including accepted and cancelled).

- 14.23** Connection through the API of the system shall be mandatory for the Participants, ensuring the execution of money transfers to bank accounts and payment cards.
- 14.24** Access to money transfer services shall be provided by the System operator via accepted cryptographic information protection tools, using an electronic signature.
- 14.25** The exchange of electronic messages between the System operator and the Participants may also be carried out through electronic messages, combined in electronic message packages.
- 14.26** To identify the senders and recipients of electronic messages (packages of electronic messages), the bank code provided to them by the RA Central Bank shall be used.
- 14.27** An electronic message (package of electronic messages) shall include the following mandatory requisites to enable identification of the given electronic message (package of electronic messages):
- The identification code (electronic signature),
 - The serial number of the electronic message (package of electronic messages), which is unique for each author of the electronic message throughout the operational day,
 - The date of creation of the electronic message (package of electronic messages).
- 14.28** Exchange participants must ensure the possibility of reproduction of orders, announcements, requests, responses, and notifications contained in electronic messages on a paper medium.

CHAPTER 15. INFORMATION SECURITY OF THE SYSTEM

15.1 The System operator and the Participants shall ensure the protection of the following information assets (information stored electronically and/or in hard copy), using organizational and/or software means:

- Encryption keys and certificates used by the Processing/clearing center and the Participants and information on their storage and installation,
- Information on the Participants' account balances, profits, payments, transfers, and clearing positions,
- Information and reports saved in hard copy or electronic media exported from the System,
- Money transfer and receipt applications completed during Customer service and receipts on the execution of Money transfer operations, other payment and settlement documents and the information contained therein, including unique reference numbers,
- Information established by the RA Laws "On Protection of Personal Data" and "On Bank Secrecy" and other information considered confidential under the present Rules,
- Information on the software, settings, and network infrastructure used by the Processing/clearing center and the Participant to ensure money transfer operations through the System,
- Workstations and servers, and network equipment used for the System operation and information processing, storage, and transmission,

- The applied software, including the programs developed by the Participant for information exchange with the System.

15.2 All the information assets shall be mandatorily accounted for, and the rules for their use shall also established.

15.3 The information assets shall be maintained in controlled zones with restricted access.

15.4 The Department of Information Security shall responsible for ensuring the security and proper operation of information assets by the System operator. The Participants of the System shall also have a unit performing similar functions.

15.5 The rights to the information assets shall be suspended in cases of change of work duties or absence of the relevant employees.

15.6 The functions of ensuring information security, management of encryption keys, administration of servers and workstations, execution of money transfer operations through the System shall be segregated among the employees.

15.7 The actions of entering and confirming information, assigning and confirming competences, and confirming digital certificates shall be segregated among employees.

15.8 The workstations and servers connected to the System shall have an anti-virus protection system installed and regularly updated.

15.9 Security updates of existing software shall be installed on workstations and servers connected to the System.

15.10 Technical means to protect against unauthorized access shall be installed.

15.11 Workstations and servers connected to the system shall have policies in place to prevent the execution of malicious code.

15.12 Security updates to the software available on workstations and servers connected to the System shall be regularly installed.

15.13 Network connections of workstations and servers connected to the System to other servers and workstations shall be authorized and documented.

15.14 The provision of network access shall be segregated between the network administrator and the workstation or among the server administrators. Network accesses shall be configured according to the allowed addresses and connection ports.

15.15 Internet access to workstations and servers connected to the System shall be blocked.

15.16 Access to other Internet resources from workstations and servers connected to the System shall be blocked.

15.17 Employees of the System operator and Participants may access the System only through personalized authorizations. Access passwords shall meet the Participants' internal requirements and shall ensure the following:

- use at least 12 characters in the password (the password must contain: uppercase letters, numbers, special characters),
 - requirement to change the password regularly (the password change frequency shall be at least once every 60 days, with a ban on using any of the three previous passwords),
 - password protection during storage and operation.
- 15.18** The Administrator's scope of authority should also be personalized, and the following shall be ensured: the passwords shall be secured as follows:
- use at least 15 characters in the password (the password must contain: uppercase letters, numbers, special characters),
 - requirement to change the password regularly (the password change frequency shall be at least once every 45 days, with a ban on using any of the previous passwords),
 - password protection during storage and operation.
- 15.19** The System operator and the Participants shall ensure the proper implementation of all the functions related to information security and control thereof, in accordance with the RA legislation (in the event of a foreign participant, also the legislation of their country) and their internal legal acts.
- 15.20** In cases of unauthorized modifications, removal, leakage of the information stored in the system, as well as the digital certificates used therein, the Participant shall immediately interrupt the Customers' service and inform the System operator.
- 15.21** The Participant shall ensure the execution of the processes of obtaining and renewing the certificates used in the System in accordance with the effective procedures (which shall be provided to the Participants in advance).
- 15.22** The System operator and Participants shall use cryptographic information protection tools (encryption) or software and hardware containing modules for cryptographic information protection for information protection.
- 15.23** The system uses electronic signature tools that implement encryption algorithms: electronic signature - RSA (key length at least 1024 bits).
- 15.24** The electronic signature certificates used in electronic document circulation in the System have a validity term of 1 (one) year and are provided to participants by the System operator, based on the official letter addressed to the latter by the Participant.
- 15.25** Two weeks prior to the expiration of validity term of the specified certificates, the Participant shall initiate the process of renewal of the certificates via sending a corresponding official letter to the System operator.
- 15.26** The System operator and the Participants shall ensure compliance with information security requirements.
- 15.27** All the information security incidents shall be registered, the findings of the examination of the causes thereof documented and action plans for the preventive measures planned, to prevent the recurrence thereof.

15.28 The following shall be considered to be an information security incident:

- situations that have hindered or may hinder the execution of money transfer operations,
- situations that have led or may lead to the execution of unauthorized money transfer operations,
- situations that have led or may lead to the execution of money transfer operations using distorted or false data,
- unauthorized access or attempted access to the System,
- unauthorized use of System data, misrepresentation, falsification or other modification of real data,
- loss of provided public key certificates,
- other incidents that may hinder the regular execution of Money Transfer operations through the System.

15.29 The System operator shall be immediately informed on all the registered information security incidents and mandatorily provided with the relevant protocols no later than on the working day following the incident, via the agreed communication channel specified in the agreement signed between the System operator and the Participant.

CHAPTER 16. RISK MANAGEMENT WITHIN THE SYSTEM

16.1 General risk management in the System shall be carried out by the System operator, pursuant to the requirements of the RA legislation and the peculiarities of the System's operation established under the present Rules.

16.2 The risk assessment and management functions in the System shall be distributed between the System operator and the Participants.

16.3 The Participants shall implement risk management independently, pursuant to the present Rules and/or the Participation agreement signed with the System operator.

16.4 The System operator has the right to oversight over the Participant's compliance with the System rules regarding risk assessment and management.

16.5 Within the scope of their risk management function, the System Operator shall be authorized to develop internal risk management documents on risk management model specification, determination of additional risk management measures and methods, and implementation of other functions.

16.6 The main risks inherent in the System are the following:

16.6.1 Financial risks, which may be of the following types:

- credit risks,
- liquidity risks,
- settlement risks.

16.6.2 Operational risk, which may be of the following types:

- risk of fraud,
- risk of error,
- risk of System access violation and information loss,
- risk of software errors/ bugs and malicious code execution,
- risk of system continuity violation.

16.6.3 Legal risks,

16.6.4 Reputational risks.

16.7 Possible manifestations of credit risk in the system are:

16.7.1 The Settlement Bank's credit risk, which is created and/or borne by the Settlement Bank. To reduce the credit risk, the Settlement Bank shall select the participants carefully, i.e. supervised and financially stable organizations can act as participants, and the Settlement Bank may request the participants to freeze certain amounts in the Settlement Bank.

16.7.2 The Receiving Party's credit risk associated with delayed settlements, determined by the fact that the latter makes a payment to the Customer prior to the final settlement, in the event of which a credit risk may emerge for the Participants, unless the final settlement is implemented due to the Settlement Bank's insolvency (which is excluded in practice), or insufficiency of funds on the Participants' accounts. To reduce the risk related to the latter, the Settlement Bank shall select the participants with caution, i.e. supervised and financially stable organizations may act as participants, and the Settlement Bank may require the Participants to freeze certain amounts in the Settlement Bank.

16.7.3 The credit risk associated with the System operator, in the event of which the Participant's credit risk may arise due to the illegal embezzlement of the funds accepted by the System operator through the System, but not yet provided to the Recipients, or the inadequate management/allocation thereof, or as a result of repayment of other obligations of the System operator with these funds (including in case of bankruptcy). The risk shall be excluded due to the measures applied within the framework of operational risk management, due to the measures designed by the System operator to reduce the riskiness of funds management, as well as due to the fact that the System operator shall be responsible for the maintenance of these funds.

16.7.4 The credit risk associated with the Participants' bankruptcy, in the event of which the Participants' credit and liquidity risks may arise in case of bankruptcy of any Participant. The risk shall be excluded in compliance with the provisions of the RA Law "On Payment and Settlement Systems and Organizations". In addition, the monitoring by the System operator shall preliminarily identify the Participants with insolvency characteristics and, in accordance with the present Rules, terminate their participation in the System.

16.8 The liquidity risk shall occur when one of the parties participating in the final settlement in the System lacks the required and sufficient funds at their disposal to fulfill their obligations. The risk may occur to the Participants. To neutralize the above-mentioned risk in the System, the Bank shall, within the scope of its authority, carry out a recall of payments of participants with an unsettled net debit position, as well as provide loans from the Bank's own funds to the settlement participant for the purpose of final settlement.

16.9 The possible manifestations of Operational risks within the System are:

16.9.1 Fraud risk, which is the possibility of losses of funds of the System operator, Participants and/or Customers, caused by illegal actions, fraud or abuse by the System Operator, Processing/Clearing Center or Participant's employees and/or third parties. This risk may be caused by software errors, vulnerabilities and deficiencies of configuration, equipment, physical security of computer equipment, and rights management used within the System. Unlawful actions by the System operator, Processing/clearing center or Participant's employees and/or third parties may cause situations of impossibility to send or receive orders/instructions, cases of destruction and modification of information stored and processed in the System, creation and execution of false orders/instructions. Those can incur financial losses to the System operator, Processing/clearing center and Participants, as well as negatively impact their reputation. To reduce the risk of fraud, the following measures shall be applied:

- Ensuring physical security for the System operator, Processing/clearing center and Participant's equipment ensuring the operation of the System, servers, workstations, as well as during information backup,
- Ensuring rights management and event registration at all stages of processing of all types of operations within the System,
- Stipulation of the System Operator's, Processing/clearing center's and Participant's employees' responsibility in their employment contracts, including signing of confidentiality/ non-disclosure agreements by the employees,
- Providing consultations and documents on the System operation/ maintenance to the Participants by the System operator,
- Ensuring control over the activities implemented by the System participants,
- Registration of incidents and implementation of relevant analyses,
- Use of an electronic signature, which ensures the integrity of the entered information and the identification of the signing party,
- Risk assessment and performance of appropriate inspections by the System operator for the Participants, including, if required and based on the results thereof, planning and implementation of measures aimed at increased level of System security,
- Segregation of the System administration, operation and security functions among appropriate employees.

16.9.2 The risk of error, which is the possibility of loss of funds or other negative consequences related to the System operation for the Participant, another System Participant, the System operator and/or the Customer caused by the error of the System operator, the Processing/clearing center, or Participant. The following measures/mechanisms shall be applied to reduce the error risk:

- The requirement to apply the "four eyes" (dual control) principle when entering/editing essential data is established in the system,
- Mandatory fields of the application submitted into the system shall be automatically checked at the software level,
- The System uses the STP (Straight-through processing) mechanism, which provides a one-time access to information (for the initiator), creation of an electronic message, the automatic processing thereof and its transmission to the Receiving party.

16.9.3 The risk of the System access violation and information loss is the possible inaccessibility of the System or any service thereof, which might occur due to insufficient resources (human, software, equipment), failure of communication channels or equipment, software failure, or data loss. To reduce the mentioned risk, the following measures/mechanisms shall be applied:

- Ensuring availability of alternative channels for information transfer;
- Operation of the backup communication node;
- Fulfilment of requirements related to the physical security of the equipment installed in communication nodes and connection to alternative power supply sources;
- Performing maintenance works on the equipment and systems installed in the communication nodes;
- Stipulation of responsibility and obligations for ensuring access to the network equipment, servers and workstations installed on the Participant's side in the System Participation Agreement (Service Level Agreement);
- Availability of procedures and mechanisms for backup of information processed in the System and restoration of the System components, availability of backup data integrity verification procedures and mechanisms;
- Implementation of risks assessment, and based on the assessment results, planning and implementation of measures aimed at increasing the system security level by the System operator;
- Implementation of regular assessments and continuous monitoring of the System's capacity and, if required, ensuring increased operational capacity by the System operator;
- Use of encryption mechanisms for information bases, data and channels;
- Software or hardware restriction on the use of USB and other external drives on the System operator's computers;

- Applying Internet access restrictions on the System operator's computers;
- Logging of events, where information on the Participants' entry/exit, failed login attempts, and executed transactions shall be displayed.

16.9.4 The risk of software errors and the execution of malicious code, which might incur financial losses to the System operator, Participant or Customer due to software errors, vulnerabilities, system misconfigurations, violations of security rules, as well as the launch of computer viruses, hacker attacks within the System, as well as possible losses or other negative consequences related to the System operation. Software errors and execution of malicious code might cause impossibility to send, receive or execute orders/instructions within the System, leakage of confidential information, destruction of stored and/or processed information, and cases of modification thereof. The latter may incur financial losses for the System operator and the Participants, as well as result in violation of the requirements established by the legislation, and negatively impact the reputation of the Participants, the System operator and the Customers. To reduce the above-mentioned risk, the following measures shall be applied:

- Use of an anti-virus system and maintaining it up-to-date,
- Prompt installation of security updates for operating systems,
- Installation of software component updates,
- Application and proper configuration of firewalls, IPS and IDS systems,
- Conducting courses on information security rules among specialists operating the System.

16.9.5 The risk of disruption of the System operation continuity, which is the possibility of the the System's inaccessibility caused by environmental disasters, earthquakes and other natural or man-made emergency situations. To reduce the above-mentioned risk, the following measures shall be applied:

- Development of plans for ensuring the System operation continuity by the System operator, based on ISO 27001:2013 international standard,
- Ensuring the availability of backup storage required for restoring the System operation continuity, ensuring the availability of technical and technological infrastructure thereof,
- Regular testing of the activities and measures envisaged under the action plans for the System operation continuity, including with the Participants' involvement.
- Using and automatically replacing the alternative internet access channels.

16.9.6 Legal risks may arise due to unclear, vague, incorrectly formulated legal bases or those conflicting with the prevailing legal acts, and for those related to foreign Participants, also due to the latter's state legal acts conflicting with those of the Republic of Armenia. In the event that the legal framework and legal relations for the participants of the payment and settlement system are unclearly or vaguely formulated, the latter won't be able to clearly understand their responsibilities and capacities for risk reduction and neutralization within the System, including the limits of their responsibility for ensuring the operation continuity thereof.

- 16.9.7** To reduce the legal risks, the System operator shall develop the present System rules, as well as a number of other documents regulating the System's operation and manuals referring to the operation thereof.
- 16.9.8** Legal certainty shall also be ensured via relevant System participation or cooperation agreements signed with the Participants, with the defined scopes of capacity, obligations and responsibility, as well as the procedures, terms, applicable legislation and relevant judicial entities for dispute settlement in the event of emergence thereof.
- 16.9.9** To reduce the legal risks related to the foreign Participants, the System Operator shall assess the legislation of the given Participant's country, paying special attention to the provisions on the fulfillment of liabilities in the event of bankruptcy/insolvency.
- 16.9.10** The reputational risk within the System may arise in the result of any of such risks listed above, or as a consequence of improper management of the net debit limit by the Participants, in the event of which the Send-money operation may be rejected by the System, if the net debit balance is insufficient. System failures, and non-provision of services in accordance with the established service criteria may lead to a decreased trust in the System among the Participants and Customers, or the degree of expediency of the System use, which in turn may cause a reputational risk among the Participants. To reduce such risks, the measures specified in the relevant subsections of this chapter shall be applied.
- 16.9.11** The risk management function within the system shall be implemented by the directorate of Risk management of "Unibank" Open Joint-Stock Company.

CHAPTER 17. APPEALING PROCEDURE FOR THE SERVICES PROVIDED VIA THE SYSTEM

- 17.1** In the event of a dispute over the service provided through the System, the Participant shall submit the corresponding application to the System operator through the agreed channel of communication.
- 17.2** The application shall be signed by the Participant's manager (authorized person), sealed with the Participant's seal and contain at least the following information:
- Participant's full name and registration address,
 - information about the circumstances the application is based on, including references to the RA legislation, the present Rules, the participation agreement and/or other documents, requirements and/or terms, which in the applicant's opinion have been violated.
- 17.3** Documents that contain information supporting the submitted claim may be enclosed to the application.
- 17.4** The application may also contain a proposal to establish a reconciliation committee to settle the dispute.
- 17.5** The application must be submitted within one month after the occurrence of the grounds specified in the application in the process and contain an indication of the circumstances that are the basis for its submission, as well as the day of occurrence of these circumstances; after the expiration of the specified period, applications received will not be considered.

17.6 Based on the results of the consideration of the application by the System Operator, within five working days following the date of receipt thereof, the System Operator shall inform the Participant in writing on one of the following decisions:

- on granting the application (fully or partially),
- on rejecting the application,
- on establishing a reconciliation committee to discuss the application.

17.7 The consideration of the application within the term specified in the previous clause may be suspended by the System operator, if deemed necessary to obtain additional documents or information. For this purpose, the System operator may send a proposal to the Participant to submit additional documents or information, indicating the deadline for the submission thereof. In the event of non-receipt of the required documents or information by the deadline specified on the System operator's proposal, the application shall be considered on the basis of the existing documents.

17.8 In case of setting up a reconciliation committee, the latter shall be comprised of an equal number of representatives from the System Operator and the Participant, but no more than three persons from each side. Independent experts (no more than three persons) from organizations that do not represent any of the parties may also be involved in the committee.

17.9 The reconciliation committee shall be established for a term of up to 10 working days. If needed, based on the joint decision of the System operator and the Participant, the working period of the reconciliation commission may be extended up to 30 working days.

17.10 Based on the results of the activities, the reconciliation committee shall draw up an act, which shall contain:

- the description of the factual circumstances that served as basis for the submission of the application,
- the description of the activities performed by the members of the reconciliation committee,
- the conclusion based on the findings of the reconciliation committee's activities and the justification thereof,
- the decision taken based the claim consideration.

17.11 The act shall be executed in two copies and signed by all the members of the reconciliation committee, including those holding a different opinion.

17.12 The members of the reconciliation committee, who do not agree with the decision taken, shall have the right to express a special opinion, which shall be enclosed to the act.

17.13 A copy of the signed act shall remain with the System operator, while the other shall be provided to the Participant.

CHAPTER 18. THE ACTIONS OF THE SYSTEM OPERATOR AND PARTICIPANTS DURING FORCE MAJEURE OR INCIDENTS

18.1 In order to undertake timely measures to prevent the increased risk of the System's inoperability, the Participants shall immediately inform the System operator on the emergency situation.

18.2 The notification of the System operator shall be carried out via the method agreed upon by the Participant, and if impossible, via any accessible method: fax, e-mail message, and in exceptional cases, telephone.

18.3 The emergency notification shall contain the following information:

- the date and time of the incident,
- the nature of the case,

- causes (if such causes are known at the time of the notification preparation),
- the consequences of the emergency situation,
- the estimated recovery time, in the event of disruption of software or hardware enabling remittance operations, following an emergency, as well as the elimination methods thereof.

18.4 The Participant shall inform the System operator on the measures aimed at elimination of the consequences of the failures and emergency situations.

18.5 If the issue arose with the system operator, the latter shall inform the Participants on the occurrence of the emergency/operational failures, their causes and consequences.

18.6 The System operator shall inform the Participants on the peculiarities of the System's services provision in emergency situations, including:

- on the use of automated storage systems, indicating the date and time of their use,
- on the list of system services that are provided via the automated storage systems,
- on the list and formats of electronic messages used,
- on the approximate terms for resuming the System's regular operation after eliminating the operational failure.

18.7 If the Participant has disputes with its customers, the former shall, independently and at their own expense, resolve these disputes related to issues with the transfer of funds, lack of technological support, as well as other reasons caused by their actions (inaction) or third parties involved by them.

18.8 In case of controversial, non-standard, emergency situations, including system and technological failures in the maintenance of their equipment, the Participant shall immediately inform the System operator on those and the possible causes and consequences thereof via sending an email message followed by a written notification to the latter.

18.9 Following the receipt of the Participant's notification, the System Operator shall inform, if needed, the other System Participants about it.

18.10 The System operator shall set the following requirements for the content, form and frequency of submission of information sent by the Participants, to analyze the security situation within the information security system when making money transfers, as well as for the purposes of cooperation in the event of information security incidents being detected (information shall be provided only regarding the System operation).

Content	Format	Frequency
1) on compliance with the information security requirements, including on the findings of the conducted compliance assessment	A formal written letter and/or electronic survey conducted by the System operator	At the request of the System operator, once a year
2) on the implementation of the information security procedure	A formal written letter and/or electronic survey conducted by the System operator	At the request of the System operator, once a year
3) on the threats and vulnerabilities identified in ensuring information security	Promptly, via e-mail and/or call, in cases of unauthorized access, or actions without the customer's consent	In the event of detection
4) on the detected	Promptly, via e-mail and/or call, in cases	In the event of detection

incidents related to violation of information security requirements	of unauthorized access, or actions without the customer's consent	
5) on the means of protection of cryptographic information used	A formal letter	No later than 10 (ten) working days from the date of starting to use the cryptographic information-based protection means or their modification, or at the Operator's request

18.11 The System operator shall establish the following requirements for cooperation in the event of detecting incidents related to the violation of information security requirements when making money transfers within the System:

Incidents	The Participant's actions	The System operator's actions
1) In the event of incident detection	Notification of the respective department about the detection of incidents; recording of detected incidents; proper response to identified incidents, including contacting law enforcement entities, if required; analysis of the causes of the identified incidents, assessment of incident response results; prompt reporting to the System operator on the detected incidents; implementation of restoration of the regular operation of the information infrastructure.	The System operator shall undertake all possible actions, to minimize the consequences of the detected incidents, namely: suspension of the Recipients' access to the funds in the event of detection of transfers of funds by the order of persons lacking the right to manage these funds; verification of compliance with information protection and transfer processing requirements; reporting to the Participant on the results of the actions undertaken. The System operator shall analyze the received information to verify that information security is ensured within the System, develop recommendations to improve information security, if required, and also amend the information security requirements, based on the analysis findings.
2) In the event of detection of the fact on key information breach related to cryptographic protection means	Notification of the System operator in an agreed manner	The System operator shall block the Participant's ability to make transfers within the System

3) In the event of detection of a malicious code or exposure to a malicious code	Undertaking of the required measures to prevent the spread of the malicious code and to eliminate the consequences. If required, suspension of the money transfers for the period of elimination of the malicious code infection consequences. Notification of the System operator in an agreed manner	Following the receipt of a relevant message from the Participant, the System operator shall temporarily suspend the Participant's operation in the System. In the event of issues related to the System operation, the System Operator shall send respective messages to the Participants in an agreed upon manner. In the event of detection of a malicious code within the System or the fact of impact thereof, the Operator shall inform the Participants on the latter in an agreed manner.
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CHAPTER 19. OVERSIGHT OF COMPLIANCE WITH THE RULES

19.1 The System operator shall supervise the System Participants' compliance with the requirements established under the present Rules and other documents regulating the System operation, in accordance with the procedure established by the present Rules and relevant agreements.

19.2 The System operator's oversight over compliance with the present Rules shall be implemented, if required, via requesting from the Participants financial or other reports, statistical data or any other documents related to the System operation (including the Customers' or other persons' application-complaints) and considering (examining, analyzing) thereof. The System operator may require the Participants to submit the specified reports or information within reasonable terms, specifying the submission term in the relevant inquiry, depending on the volume of the requested information.

19.3 If required, and at the System operator's request, the Participants shall provide, within a maximum term of 5 (five) working days, information on compliance with the requirements established under the present Rules, on any controversial situations between the Participants and the Customers, as well as any documents or information on the operations executed through the System by the System Participant.

19.4 Failure to provide the information or documents specified in Clause 19.3 of the present Rules may be deemed a violation thereof by the Participant, except for cases when the non-provision of such information (including provision of incomplete or unreliable information) does not conflict with the present Rules or the legislation of the Participant's country.

19.5 In the event of detection of violations of the rules provided for in this chapter, the System operator shall inform the Participant about it and establish a reasonable term to eliminate the violation, during

which the System operator may suspend or terminate the Participant's participation in the System, if the violation is not eliminated.

CHAPTER 20. AMENDMENTS TO THE RULES

20.1 The System operator shall be authorized to unilaterally amend the present Rules.

20.2 Implementation of the amendments to the Rules shall be approved by the competent entity of the System operator and published on the System's official website at the following address: www.ubpay.am.

20.3 The System operator shall provide to the Participants an opportunity to familiarize themselves with the envisaged amendments to the present Rules and submit their opinion thereof, via publishing the draft amendments on the System's official website and informing the Participants about it. The Participants shall have the right to present their opinions within 15 days following the publication of the draft amendments on the System's official website.

20.4 The System operator shall ensure the publication of the final version of the amended draft rules or the approved version of the amended rules on the System's official website at least 30 days prior to the date of the entry into force thereof. The Participants shall be considered to be duly informed, following the provision to them by the System Operator of the final version of the amended draft rules or the approved version of the amended rules through the communication channel specified in the participation or cooperation agreements.

20.5 The letter officially sent by the Participant to the System operator regarding the former's disagreement with the amendments implemented to the Rules shall serve as a basis for termination of the Participation agreement concluded with the Participant.

CHAPTER 21. FINAL PROVISIONS

21.1 The present Rules have been developed in accordance with and are regulated by the RA legislation. The legislation of the Republic of Armenia shall be deemed applicable for settlement of disputes arising from the application of the provisions under the present Rules or participation in the System, unless otherwise envisaged under the participation agreements concluded between the System operator and the Participants.

21.2 The System Participants shall be responsible for violation, non-fulfillment or improper fulfillment of the requirements established under the present Rules, other documents regulating the System operation, or participation agreements concluded between the Participant and the System operator.

21.3 The System entities shall be exempt from responsibility, if the non-fulfillment or improper fulfillment of the obligation resulted from force majeure.

21.4 In case of emergence of any circumstances underlying force majeure, the procedure and terms of the Participants' actions shall be envisaged under the relevant agreements concluded between the System operator and the Participants.