

The Law of RA “On Banks and Banking Activity”

Article 20. Charter of the Bank

1. The charter of the Bank is the founding document of a bank and its provisions shall be binding on the founders, participants and managing bodies of the bank.

2. The charter defines:

- a. the full and short brand name of the bank;
- b. the location of the bank;
- c. the organizational-legal type of the bank;
- d. in case of a bank in form of a joint stock company – the types of stocks for distribution (regular and privileged), number, nominal value, as well as types of privileged stocks, the rights of owners of each type of privileged stocks;
- e. the size of the statutory fund of the bank;
- f. the structure, powers and decision-making procedure of the managing bodies of the bank;
- g. the procedure for preparation and conduct of general meetings of the bank’s founders and participants, including the list of the questions decisions on which shall be adopted by the managing bodies of the entity by simple majority or unanimously;
- h. information on the bank’s branches and representations, as well as provisions for establishment and termination of branches and representations of the bank;
- i. the powers delegated to the bank by the founding bank (in case of a branch of a foreign bank);
- j. The rules of oversight over the bank by the founding bank (in case of a branch of a foreign bank);
- k. the procedure of carrying out control by the founder bank (in case of a branch of a foreign bank);
- l. the bank’s liquidation procedure;
- m. other provisions envisioned by the law and other regulations.

The charter may also limit for the maximum share of participation by a single founder or a participant of the bank in the bank’s statutory fund (in case of a bank in the form of a joint stock company – the limitation of stocks enabling allocated by the bank voting rights).

3. On demand of any person the bank shall within a five-day period provide him (her) the opportunity to acquaint himself (herself) with the bank’s charter, additions and amendments thereto. The bank shall provide that person with a copy of the bank’s current charter upon his (her) request. The cost charged by the bank for the provision of the copy shall not exceed the self-cost of the copy.

4. Additions and amendments to the charter as well as adoption of the new edition of the statute shall be passed by a 3/4 majority of votes of the general meeting of the bank’s participants.

(Article 20 is amended according to AL-253, 23.10.01; AL-227-N, 15.11.05)