

THE LAW OF THE REPUBLIC OF ARMENIA

LAW ON CONTROL OVER EXPORT OF DUAL-USE ITEMS, THEIR TRANSIT THROUGH THE REPUBLIC OF ARMENIA, AND TRANSMISSION OF DUAL-USE INFORMATION AND RESULTS OF INTELLECTUAL ACTIVITY

Adopted on April 8, 2010

CHAPTER 1 GENERAL PROVISIONS

Article 1. Subject of the Law 1. The law defines principles of implementation of state policy in the area of control over export of dual-use items, their transit through the Republic of Armenia, and transmission of dual-use information and results of intellectual activity; rights and responsibilities of entities who export dual-use items; rights and responsibilities of entities who transmit dual-use information and results of intellectual activity.

Article 2. Main Concepts Used in the Law 1. The main concepts used in the law are: 1) **dual-use items (hereinafter the controlled items)** any item, which is used for civic purposes and according to its characteristics and peculiarities can also be used for military purposes, as well as for developing a weapon of mass destruction and its delivery system thereof, 2) **dual-use information and results of intellectual activity (hereinafter the controlled intangible values)** – any information, result of intellectual activity, software, which are used for civic purposes, and according to their characteristics and peculiarities can also be used for military purposes, as well as for developing a weapon of mass destruction and its delivery system thereof. For violating the procedures of transmission of intangible values, set forth in the current law, a person shall become a subject to responsibility only in a case when he was aware or was obliged to be aware that the item, except for civic use, could also be used for military purposes, as well as for developing a weapon of mass destruction and its delivery system thereof, 3) **weapon of mass destruction** – nuclear, chemical and biological weapon, 4) **delivery system** – missiles and remotely controlled flying objects, which can be used for military purposes, as well as for transportation of a weapon of mass destruction, 5) **export of the controlled items** – taking the controlled items out of the customs area of the Republic of Armenia, 6) **transit of the controlled items** – transportation of the controlled items through the customs territory of the Republic of Armenia from the customs port of entry to the customs port of exit, 7) **transmission of the controlled intangible items** - transmission or provision of the controlled intangible items through verbal, written or electronic communication or by a telecommunication system, as well as making them available, by any other mean, to the persons beyond the borders of the Republic of Armenia, 8) **turnover control** - a system of activities related to the export of the controlled items, as stipulated in the current law, their transit through the territory of the Republic of Armenia, and transmission of the controlled intangible items, with a purpose to safeguard implementation of the international commitments, undertaken by the Republic of Armenia, as well as to protect the national security interests of the Republic of Armenia, 9) **end-user** – a foreign country, a legal and physical entity of a foreign country, who is a real user of the controlled items, as well as the controlled intangible values, exported from the Republic of Armenia or transported through the territory of the Republic of Armenia, 10) **end-use** – application of the controlled items, as well as the controlled intangible values by the end-user in accordance with the declared purpose, 11) **certificate of the end-user** – a

document, which contains the following information: name of the country, or a person of this country (legal or physical), which receives the controlled items and/or controlled intangible values, his location and activity, aim of the end-use of these items, information or results of the intellectual activities. This document certifies that the mentioned items and (or) information will not be passed to a third country or a person, or will not be used for purposes other than mentioned in the document without officially approved permission in a written form from a state governing body of the exporting country. In the event that the legislation of the importing country stipulates the end-user certificate, the latest must be approved by the state governing body of the end-user country, 12)

inter-organizational compliance program – organizational, administrative, awareness raising and other activities, implemented by the exporting persons with a purpose to ensure compliance with legal norms of turnover control inside of the organization. **Article 3. Legislation of the Republic of Armenia on turnover control**

- 1. Legislation of the Republic of Armenia on turnover control consists of the Constitution of the Republic of Armenia, the current law and other legal norms. 2. If international agreements of the Republic of Armenia stipulate other norms than the current Law, the international norms shall prevail.

Article 4. State principles of the policy, implemented in the area of turnover control.

- 1. The policy, implemented by the Republic of Armenia in the area of turnover control is a constituent part of domestic and foreign policy of the Republic of Armenia. 2. The main principles of the policy, implemented by the Republic of Armenia in the area of turnover control: 1) procedures for issuing permission to export the controlled items and transmit controlled intangible values and notification procedure for their transit, 2) safeguarding legitimacy, accessibility and publicity of the information on issues related to the turnover control; 3) priority of interests of the national security of the Republic of Armenia; 4) ensuring compliance and harmonization of turnover control methods and procedures to the international standards and practice; 5) cooperating with foreign states and international organizations in the area of control over transmission of the controlled items and controlled intangible values.

Article 5. The purpose of turnover control

- 1. The purpose of turnover control: 1) Protection of national security of the Republic of Armenia 2) Safeguarding implementation of the undertaken international commitments by the Republic of Armenia.

Article 6. Lists of controlled dual-use items and controlled intangible values

- 1. Lists of controlled dual-use items and controlled intangible values shall be approved by the Government of the Republic of Armenia. 2. Expert conclusion about belonging of a dual-use item to the list of controlled dual-use items and controlled intangible values shall be issued by the accredited in the Republic of Armenia organizations, in accordance with the procedures set forth in the Republic of Armenia Law “On Conformance Evaluation”.

CHAPTER 2 ORGANIZATION OF TURNOVER CONTROL

Article 7. The body implementing turnover control

- 1. The state policy in the area of turnover control is implemented by the entitled state governing body (hereinafter – the entitled body), which shall be appointed by the Governmental Decree of the Republic of Armenia. 2. In the area of turnover control, the entitled body coordinates issues concerning issuance of the permission with other interested state governing bodies in compliance with the procedures, established by the Government of the Republic of Armenia. 3. Authorities of the entitled body: 1) Issue or reject to issue permission to export the controlled items and transmit the controlled

intangible values; suspend or terminate the permission, 2) receive from relevant entities notifications on transit of controlled items and in cases, stipulated in the law, reject the transit, 3) develop activities aimed at enhancing and improving the turnover control, 4) receive from entities, involved in export of controlled items and transmission of controlled intangible values, reports on export activity related to export of controlled items and transmission of controlled intangible values, 5) inspect in compliance with the Republic of Armenia law "On organizing and conducting inspections in the Republic of Armenia" the entities, involved in export of the controlled items, transit and transmission of the controlled intangible values", 6) conduct inspections associated with the end-use and end-user of the exported items and the transmitted controlled intangible values, in line with procedures, established by the Republic of Armenia international agreements, 7) participate in discussions of issues of international cooperation in the area of turnover control, 8) with a purpose to ensure turnover control - require and receive documents, information, written and oral explanations from entities, involved in the export of controlled items and transmission of the controlled intangible values, in accordance with the Republic of Armenia legislation.

Article 8. Internal compliance programs for turnover control 1. Compliance of operations, performed by entities, involved in the export of controlled items and transmission of the controlled intangible values, with requirements set forth in the turnover control-related legislation, is ensured by means of adopted internal compliance programs. 2. The entitled body provides to each exporting entity informational and methodological assistance in selecting tools to implement internal compliance programs.

CHAPTER 3 PROCEDURE TO EXPORT THE CONTROLLED ITEMS AND TRANSMIT THE CONTROLLED INTANGIBLE VALUES

Article 9. Basics of export of the controlled items and transmission of the controlled intangible values

- 1. Export of the controlled items and transmission of the controlled intangible values is carried out in line with procedures, set forth in the current law on the basis of one-time, individual, or general permission, issued by the entitled body. 2. One-time permission is issued in line with procedures set forth in the current law, on the basis of application, submitted by a physical entity, who is not a sole proprietor and gives the latest right to export or transmit one controlled item or controlled intangible value to one end-user. On the basis of procedures, set forth in the current law a person can make only one export or transmission transaction. 3. Individual permission is issued based in line with procedures set forth in the current law, on the basis of application, submitted by a legal entity or a sole proprietor, and gives the latest right to export or transmit a controlled item or controlled intangible value to one end-user. Individual permission is issued for the period not exceeding two years, without limitation in a number of the export or transmission transactions, as well as without limitation in a quantity of the exported or transmitted items. 4. General permission is issued in line with procedures set forth in the current law, on the basis of application from a legal entity or a sole proprietor and gives the latest right to export the controlled items or transmit the controlled intangible values on the specified categories to several end-users. General permission is issued for the period not exceeding three years, without limitation in a number of export or transmission transactions, as well as without limitation in a quantity of the exported or transmitted items. 5. A person who receives export and (or) transmission right on the basis of a permission, no later than 20 days after export or transmission transaction must submit to the entitled body a report on the conducted export or transmission transaction,

and attach a list of the exported items and (or) transmitted values and a copy of a document, certifying their acceptance. Requirement on submission of a document copy, which certifies acceptance of the exported and (or) transmitted values, stipulated in part 5 of the current law do not cover the persons leaving the territory of the Republic of Armenia for permanent residence.

6. State duty in the amount established by the law shall be collected to receive individual and general permission.

Article 10. Obtaining permission to export the controlled items and (or) transmit the controlled intangible values

- 1. To obtain permission to export the controlled items and (or) transmit the controlled intangible values, the exporter of the respective items and (or) intangible values, shall submit to the entitled body the following documents:
 - 1) application, where a legal entity mentions the name, type of the organization, address of location and implementation of the business activity; a physical entity or a sole proprietor mentions the first name, last name, addresses of the residence and implementation of the business activity; besides that a legal entity and a sole proprietor mention a type of the requested permission and the period of time, 2) a legal entity submits a copy of the charter, and a sole proprietor – a copy of the state registry certificate, 3) end-user certificate in compliance with requirements of the sub-clause 11 part 1 Article 2 of the current law, 4) technical specification of the controlled items or transmitted intangible values, 5) a copy of the agreement certifying transmission of the controlled items or intangible values, 6) written application of the exporting entity or an expert conclusion about belonging of the item, information or a result of the intellectual activity to the list of controlled items and controlled intangible values, as stipulated in part 2 of Article 6 of the current law, 7) receipt of the collected state duty for individual or general permission.
- 2. In accordance with clauses 3 and 5 of part 1 of the current law, requirement to submit the respective documents do not cover the persons leaving the territory of the Republic of Armenia for permanent residence.
- 3. Decision to issue or reject to issue a permission to export the controlled items or transmit the intangible values, shall be made in line with part 1 of the current law in a course of 20 working days following the date of submission of the documents to the entitled body.

Article 11. Grounds for rejection, suspension, or termination of the permission application

- 1. Grounds for rejection of the application: 1) documents of the exporting or transmitting entity are incomplete; 2) documents of the exporting or transmitting entity are fake; 3) the planned export or transmission transaction is inconsistent with the purposes, stipulated in the part 5 of the current law.
- 2. In the event that the entitled body rejects the permission application, the entitled body shall duly notify the applicant within 3 days following the date the decision was made, grounding the rejection.
- 3. The permission shall be suspended by the entitled body, in the event that circumstances are revealed in light of which export of the controlled items or transmission of the intangible values may be inconsistent with the purposes, stipulated in Article 5 of the current law. After making a decision to suspend the permission, the entitled body shall duly notify the exporting or the transmitting entity within 3 days. Permission suspension can not last more than 30 calendar days. In the event that the exporting or importing entity does not receive from the entitled body a notification on termination of the permission after expiration of the date, the entity receives right to continue his export and transmission activities.
- 4. The entitled body terminates the permission: 1) on the basis of application of the exporting or transmitting entity, 2) in the event of self dismissal or death

of the exporting or transmitting entity, 3) if revealed that the entity had submitted fake or incomplete documents with a purpose to receive the permission, 4) if in a course of investigation of circumstances and reasons of suspension it has become clear that there is inconsistency between the export of the controlled items or transmission of the intangible values and the purposes, stipulated in Article 5 of the current law, 5) in the event that the exporting or transmitting entity had violated legal norms, which regulate the area of the turnover control. 5. After validation of the suspension or termination of the permission, the entitled body shall duly notify the exporting or the transmitting entity within 2 days about suspension or termination of the permission, grounding the rejection.

Article 12. Notification about transit of the controlled items

- 1. Transit of the controlled items through the territory of the Republic of Armenia is implemented based on the advance notification. Notification is submitted to the entitled body no later than 15 days before the controlled item crosses a port of entry of the Republic of Armenia. Notification on transit includes the following information: 1) list of the transported controlled items, 2) means of transportation, 3) title (name) of the exporter, the carrier and the importer, 4) Route, 5) the estimated transit date, 6) end-use purpose of the exported controlled items. 2. Copies of a related permission to export the controlled items, issued by the exporter's country and a copy of the end-user certificate must be attached to the notification. 3. After receipt of the notification the entitled body within 3 days must duly inform the interested state governing bodies about the planned transit, and attach information and documents, mentioned in the part 1 of the current law. 4. In the event that transit of the controlled items may contradict the international commitments, undertaken by the Republic of Armenia, or threaten the national security of the Republic of Armenia, the entitled body informs about it the person within 10 days following the date of receipt of the notification and forbids the transit.

Article 13. Change in customs regime related to the export of the controlled items from the Republic of Armenia or temporary extension of the export time

1. Change in customs regime related to the export of the controlled items from the Republic of Armenia or temporary extension of the export time shall be done in accordance with the general export procedure, set forth in the current law.

CHAPTER 4 INTERNATIONAL COOPERATION OF THE REPUBLIC OF ARMENIA IN THE AREA OF TURNOVER CONTROL

Article 14. International cooperation of the Republic of Armenia in the area of turnover control

- 1. International cooperation of the Republic of Armenia in the area of turnover control is directed to: 1) cooperation with foreign countries in the matter of prevention of proliferation of weapons of mass destruction, their delivery systems and technologies of their creation, 2) assistance in establishing a stable and secure international relations system, 3) improvement of international and domestic mechanisms for turnover control, disclosure of violations of the legislation of the Republic of Armenia related to turnover control.
- 2. International cooperation of the Republic of Armenia in the area of turnover control is implemented in compliance with international principles of the customs regime of export control by means of participation of the Republic of Armenia in the international conferences, negotiations, and consulting with foreign states and international organizations, information exchange, also by organizing bilateral and multilateral joint programs and other activities. 3. The entitled body of the Republic of Armenia assigned for turnover control, cooperates with relative bodies of

foreign states and international organizations in line with procedures, established by the law. 4. With a purpose to assist in implementation of domestic turnover control procedures, the Republic of Armenia sanctions cooperation of public organizations with foreign states or international organizations in the area of turnover control.

CHAPTER 5 RESPONSIBILITIES FOR VIOLATING THE TURNOVER CONTROL LEGISLATION OF THE REPUBLIC OF ARMENIA

Article 15. Responsibilities for violating the turnover control legislation of the Republic of Armenia 1. For violating the turnover control legislation of the Republic of Armenia, legal and physical entities shall become subject to responsibility as prescribed by the law.

CHAPTER 6 CONCLUDING PROVISIONS

Article 16. Entry into effect

- 1. This law shall come into effect on the 10th day following the date of official publication. 2. At the moment the current law comes into effect, the law of the Republic of Armenia □□-7-□, issued on September 24-ro, 2003 “On export of dual-use items and technologies and their transit through the Republic of Armenia” shall become void.

PRESIDENT OF THE REPUBLIC OF ARMENIA

S. SARGSYAN

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