

LAW OF THE REPUBLIC OF ARMENIA ON CIVIL FORFEITURE OF ILLEGAL ASSETS

Գլխավոր տեղեկություն

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LAW

OF THE REPUBLIC OF ARMENIA

Adopted on 16 April 2020

On civil forfeiture of illegal assets

CHAPTER 1

GENERAL PROVISIONS

Article 1. Scope of this Law

1. This Law shall regulate relations pertaining to proceedings for civil forfeiture of illegal assets, define grounds for launching examination, scope of bodies competent for initiating proceedings for civil forfeiture of illegal assets and carrying out examination, rules of international co-operation with regard to civil forfeiture of illegal assets, as well as other relations pertaining to the civil forfeiture of illegal assets.

Article 2. Legislation regulating the civil forfeiture of illegal assets

1. In the Republic of Armenia, relations pertaining to civil forfeiture of illegal asset shall be regulated by this Law, the Civil Procedure Code of the Republic of Armenia, the Civil Code of the Republic of Armenia and other laws.

2. Where this Law prescribes rules other than those prescribed by the Civil Procedure Code of the Republic of Armenia, the Civil Code of the Republic of Armenia and other laws, the rules prescribed by this Law shall be effective.

Article 3. Main concepts used in the Law

1. The following main concepts shall be used in this Law:

(1) **assets** — assets provided for by part 1 of Article 132 of the Civil Code of the Republic of Armenia, including crypto-assets;

(2) **illegal asset** — assets, including one unit of assets, several units of assets or a share of one unit of assets, the acquisition whereof is not justified by lawful income as provided for by this Law, irrespective of whether it was acquired before or after the entry into force of this Law, as well as proceeds received from the use of such an asset (fruits, products, income);

(3) **lawful income** — income received by observing the provisions of applicable law determined in accordance with Article 1277 of the Civil Code of the Republic of Armenia, in the form of the Armenian dram, foreign currency, crypto-asset or in-kind (non-monetary), excluding taxes and compulsory fees, including:

a. remuneration for work or other equivalent payments;

b. compensation (royalty) and author's remuneration for use or right to use literature, art or scientific work or for use or exercise of the right to any copyright, patent, trademark, design or model, plan, secret formula or process, software and database for electronic computing machines or industrial, commercial, scientific equipment or for providing information on industrial, technical, organisational, commercial, scientific experiment;

c. received borrowings (loans);

d. interests and other compensation received in return for issued borrowings;

e. dividends;

f. income (winnings) gained in casinos or games of chance;

g. in-kind or monetary winnings (prizes) from competitions or contests, as well as lotteries;

h. assets (also monetary funds) received as gift or aid;

i. assets (also monetary funds) received by way of succession;

- j. insurance indemnities;
- k. income received from entrepreneurial activities;
- l. income received from alienation of assets;
- m. payment or other compensation received for lease;
- n. lump-sum payments;
- o. income received from property rights;
- p. income received from other civil law contracts;
- q. pension;
- r. income received from sales of agricultural products, or agricultural activities;

(4) **crime provided for by this Law** — an act committed in the territory of the Republic of Armenia or outside it, that contains the elements of corpus delicti provided for by Article 183, Article 188, Article 189, parts 3-4 of Article 210, Article 218, Article 219, Article 220, point 3 of part 3 of Article 252, points 1 and 3 of part 3 of Article 253, points 1 and 3 of part 3 of Article 254, point 2 of part 2 or part 3 (if committed by use of authority-related or official powers or the influence deriving therefrom) or points 1 and 2 of part 3 of Article 255, or point 2 of part 2 or part 3 (if committed by use of authority-related or official powers or the influence deriving therefrom) or points 1 and 2 of part 3 of Article 256, points 1 and 2 of part 3 of Article 257, part 3 of Article 258, Article 267, Article 274, Article 275, Article 276, point 3 of part 2 or part 3 (if committed by use of authority-related or official powers or the influence deriving therefrom) of Article 282, point 2 of part 2 or part 3 (if committed by use of authority-related or official powers or the influence deriving therefrom) of Article 284, Article 291, Article 296, part 2 or 3 of Article 298, part 2 or 3 of Article 299, Article 308, Article 310, part 2 of Article 318, part 2 of Article 319, point 1 of part 2 of Article 320, point 1 of part 2 of Article 321, Article 322, Article 323, Article 324, Article 325, Article 331, part 3 of Article 335, Article 340, Article 393, Article 394, Article 399, Article 435, Article 436, Article 437, Article 438, Article 439, Article 440, Article 441, Article 442, Article 443, Article 444, Article 445, point 2 of part 2 of Article 486, part 3 of Article 486 (if committed by use of authority-related or official powers or the influence deriving therefrom), Article 482, Article 505 or Article 549 of the Criminal Code of the Republic of Armenia;

(5) **asset belonging to a person** — any asset:

- a. belonging to the given person by the right of ownership, including in the case of the right of common shared ownership — the separate share belonging to the person, and in the case of the right to common joint ownership — the entire asset;
- b. belonging to another person by the right of ownership or where to no right of ownership has arisen, while the beneficial owner thereof is the given person;
- c. which is transferred by the given person during the examined period of time — gratuitously or actually gratuitously or at a price significantly lower than the market price — to another person,

(6) **beneficial owner** — a natural person on behalf, for the benefit or at the account whereof the transaction (operation) has been carried out, or a natural person exercising or having exercised control over the transaction (operation) or the person on behalf or for the benefit whereof the transaction (operation) has been carried out;

(7) **affiliated person** — a legal person, close relative, or any legal or natural person affiliated with the person with whom the given person runs a common household or joint entrepreneurial activities, or any legal or natural person where to the given person has transferred the asset gratuitously or actually gratuitously or at a price significantly lower than the market price;

(8) **affiliated legal person** — a legal person considered to be affiliated within the meaning of points 25 and 26 of part 1 of Article 3 of the Law "On state registration of legal persons, state record-registration of separated sub-divisions of legal persons, institutions and individual entrepreneurs";

(9) **close relative** — member of family, adult child, parent, sister, brother (including paternal or maternal siblings), grandmother, grandfather, grandchildren, uncles, aunts or members of their families, parents of the persons' spouse, and for the latter — son-in-law and daughter-in-law;

(10) **member of family** — spouse, minor child, person under guardianship or curatorship, or every adult cohabiting for at least 180 days within one year during the period under examination;

(11) **official** — person who, by virtue of the position held thereby at the moment of launching the examination, is — within the meaning of the current edition of the Law "On public service" — a person having the obligation to submit a declaration or a person having held such a position, or a person having held a position equivalent thereto. The person shall be considered as holding an equivalent position, if a person performing functions identical or similar to the functions performed thereby at the moment of launching the examination is — within the meaning of the current edition of the Law "On public service" — a person having the obligation to submit a declaration;

(12) **proceedings for civil forfeiture of illegal assets** — a procedure initiated by the competent body for the purpose of forfeiture of illegal assets, which shall start by rendering a decision on launching examination of grounds for bringing an action, shall include bringing an action for civil forfeiture of assets and shall be completed by rendering a final judicial act on the action for forfeiture of illegal assets, having entered into legal force, or upon other grounds provided for by this Law;

(13) **examination of grounds for bringing an action (hereinafter referred to as "examination")** — a procedure aimed at obtaining information concerning the existence of illegal assets, the volume thereof and the scope of the interested persons;

(14) **price significantly lower than the market price** — value of compensation for a transaction, which is 80 and more percent lower than the actual value of transaction for alienation of the same asset, and in case of absence thereof — that of the similar assets;

(15) **competent body** — responsible sub-division of the Prosecutor General's Office of the Republic of Armenia;

(16) **interested persons** — a person the rights and obligations whereof may be prima facie affected by forfeiture of the asset;

(17) **Court of First Instance** — the Anti-Corruption Court.

(Article 3 supplemented by HO-91-N of 3 March 2021, edited by HO-159-N of 9 June 2022, amended, edited by HO-270-N of 9 June 2022, amended by HO-334-N of 14 April 2021, HO-396-N of 24 October 2024)

(Law HO-396-N of 24 October 2024 has a final part and transitional provisions)

CHAPTER 2

EXAMINATION OF GROUNDS FOR BRINGING AN ACTION

Article 4. Obligation to launch an examination

1. With regard to points 1-4 of part 1 of Article 5 of this Law — the prosecutor exercising oversight of the lawfulness of pre-trial criminal proceedings, and with regard to point 5 of part 1 of Article 5 of this Law — the body having implemented the relevant measures, shall be obliged to notify, within a 10-day period upon becoming aware of the grounds for launching examination, the competent body thereon and shall transfer all documents and data which may relate to the grounds for launching examination prescribed by this Law. The data relating to the process provided for by this part shall not be subject to disclosure.

2. By the results of verification of the grounds for launching examination, provided for by points 1-5 of part 1 of Article 5 of this Law, the competent body shall, within a 10-day period, render a decision on launching an examination or not initiating it.

2.1. In the case provided for by point 6 of part 1 of Article 5 of this Law, the competent body shall, within a ten-day period upon identification of grounds for launching an examination, render a decision on launching a new examination.

3. The competent body shall launch the examination based on the materials submitted or on own initiative thereof, if:

(1) at least one of the grounds for launching examination provided for by this Law exists;

(2) there are sufficient grounds to assume that the illegal assets to be identified upon the examination may exceed — by its market value — the threshold provided for by part 1 of Article 24 of this Law.

4. The decision to launch an examination shall be immediately sent from the moment of rendering to the Deputy coordinating the sector of the Prosecutor General of the Republic of Armenia (hereinafter referred to as the "Prosecutor General"), who shall be competent to abolish the rendered decision within a 7 day period upon the receipt thereof.

5. The decision on not launching an examination shall be immediately sent to the superior prosecutor, who shall, if he or she considers the grounds for launching an examination sufficient, within a 7-day period, abolish the rendered decision and assign to launch an examination.

6. Where the materials provided to the competent body in accordance with part 1 of this Article are sufficient to bring an action as provided for by this Law, and there are no other circumstances to be established, the competent body may summarise the preliminary results of the examination immediately after the launch of the examination, after which the competent body shall draw up a summary on taking measures to bring an action for civil forfeiture of illegal assets.

(Article 4 amended by HO-91-N of 3 March 2021, edited, supplemented by HO-270-N of 9 June 2022

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 5. Grounds for launching an examination

1. The competent body may launch an examination as provided for by this Law in case the following grounds exist:

(1) there is a judicial act of conviction having entered into legal force whereby the commission of one of the crimes provided for by this Law is established, and there are sufficient grounds in the materials of the given criminal case to suspect that the convicted person or the person affiliated thereto possesses illegal assets which have not been forfeited upon the criminal judgment;

(2) criminal prosecution has been instituted against the person under the initiated criminal case for commission of any of the crimes provided for by this Law, and there are sufficient grounds to suspect that the accused or the person affiliated thereto possess illegal assets;

(3) there are sufficient grounds to suspect that the relevant person or the person affiliated thereto possesses illegal assets but the criminal prosecution with regard to commission of one of the crimes provided for by this Law is impossible on one of the following grounds:

a. the person is subject to release from criminal liability through amnesty;

b. the person is subject to release from criminal liability by virtue of the provisions of the General or the Special part of the Criminal Code of the Republic of Armenia;

c. the person has died;

d. at the time of committing the act, the person has not attained the age of criminal liability provided for by law;

(4) there are sufficient grounds to suspect that the relevant person or the person affiliated thereto possesses illegal assets but the criminal case instituted with regard to commission of one of the crimes provided for by this Law has been suspended on one of the grounds provided for by part 2 or 3 of Article 193 of the Criminal Procedure Code of the Republic of Armenia;

(5) based on the data established as a result of the operational intelligence measures prescribed by the Law "On operational intelligence activity", there are sufficient grounds to suspect that the official or the person affiliated thereto possesses illegal assets;

(6) by the data obtained within the framework of proceedings for civil forfeiture of illegal assets, there are sufficient grounds to suspect that the official or the person affiliated thereto possesses illegal assets.

2. Actions included in the scope of the examination may be undertaken also in case a necessity to provide international mutual assistance as prescribed by this Law arises.

3. An examination may also start based on point 1 of part 1 of this Article, if there is a judicial act of conviction rendered by a foreign court, where it is recognised in the Republic of Armenia.

(Article 5 amended, edited by HO-159-N of 9 June 2022, supplemented by HO-270-N of 9 June 2022

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 6. Launch of examination and lawfulness thereof

1. The competent body shall, in the case provided for by part 3 of Article 4 of this Law, render a decision on launching examination by indicating the factual data underlying it and the ground provided for in Article 5 of this Law based whereon the proceedings for civil forfeiture of illegal assets is initiated. The competent body shall also indicate in the decision on initiating examination the data on the person whereto the illegal assets allegedly belong.

2. Examination may be initiated with regard to the same asset, where there is a ground other than the grounds of the previous examination, which was not known and might not have been known to the competent body at the moment of launching the previous examination.

3. The competent body may resume a completed examination in case of newly emerged or new circumstances prescribed by the Civil Procedure Code of the Republic of Armenia, with a view to preparing and lodging an appeal for review of the judicial act in accordance with the regulations prescribed by the Civil Procedure Code of the Republic of Armenia.

4. Violations of the procedural requirements provided for by this Law and regulating the launch of examination and carrying out thereof shall entail only consequence expressly provided for by this Law, the Civil Procedure Code of the Republic of Armenia or other laws.

Article 7. Scope of examination

1. The competent body shall, with a view to establishing the grounds necessary for bringing an action for civil forfeiture of illegal assets, collect materials regarding the following issues:

- (1) assets belonging to the person, the location and the sources of acquisition thereof;
- (2) the market price of assets as of the moment of acquisition and implementation of examination thereof;
- (3) transformation of assets into other assets and the proceeds received from the use of the assets;
- (4) known income and expenses of the person acquiring the assets, including the monthly average expenses for subsistence;
- (5) transactions concluded with regard to the assets;
- (6) encumbrance of assets by rights of other persons.

2. Taking as a basis the circumstances known upon the examination materials with respect to illegal assets, the competent body shall determine the time period to be examined, which shall include the period from the time of rendering the decision on launching an examination to the completion of examination, as well as the time period prior to rendering the decision on launching the examination, which may not be longer than the ten years preceding the rendering of the decision on launching the examination, except for the cases provided for by part 3 of this Article.

3. Where suspicions of illegal assets acquired earlier than the time period provided for by part 2 of this Article emerge upon the examination materials, and evidence related to the acquisition of such assets have been maintained, the competent body shall render a decision defining a new time period for examination, which may include only the time period after 21 September 1991.

(Article 7 amended by HO-270-N of 9 June 2022

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 8. Time limits for carrying out examination

1. An examination may last maximum three years.

2. The action brought in violation of the time limits provided for by this Article shall be considered an action brought by missing the term of the statute of limitation.

(Article 8 edited by HO-270-N of 9 June 2022

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 9. Confidentiality of examination

1. The circumstance of launching an examination, the grounds thereof, information on its progress and the data obtained as a result thereof shall be confidential and subject to provision to the interested persons only as provided for by this Law, and to other persons exclusively upon the consent of the competent body, based on the objectives of the proceedings for civil forfeiture of illegal assets. The competent body shall warn the interested persons, representatives thereof, experts, specialists, translators and other engaged persons of the obligation not to disclose the data obtained as a result of the examination without authorisation and the liability provided for by law for violating the relevant obligation.

Article 10. Peculiarities of carrying out an examination concurrent to criminal proceedings

1. Statements made within the framework of proceedings for civil forfeiture of illegal assets and testimony given during the procedure may not be used, according to the rules of criminal procedure, against the person having made or given them or his or her close relatives within the framework of the criminal proceedings, except for criminal proceedings initiated with regard to the incident of giving false testimony or false denunciation, or where the person himself or herself introduces his or her testimony or statement as evidence under the criminal proceedings.

2. Immediately after applying provisional measures, and in the absence of necessity for applying it — immediately after the preliminary summarisation of the examination results, the course of examination of the grounds for bringing an action shall be suspended upon the decision

of the competent body, where preliminary investigation data not having been disclosed by the body conducting criminal proceedings are to be put at the basis of the action. In case a decision on suspension of the course of the examination is rendered based on this Article, all time limits related to the course of examination shall be suspended. The suspended time limits shall continue running for the remaining part thereof after the preliminary investigation is completed.

3. Completion of criminal proceedings in progress concurrently with the proceedings provided for by this Law, including rendering of judgment of acquittal, or dismissal of the criminal case proceedings on an acquittal ground or termination of the criminal prosecution shall not be a ground for termination of proceedings for civil forfeiture of illegal assets.

(Article 10 amended by HO-159-N of 9 June 2022)

Article 11. Powers of competent body when carrying out examination

1. For the purpose of carrying out examination and bringing an action, the competent body shall have the right to:

(1) request and receive from state or local self-government bodies, state or community organisations, as well as organisations with state or community participation legal acts, documents and other information, including information deemed to be a tax or customs secret, data of preliminary investigation necessary for carrying out examination and bringing an action;

(2) request and receive from natural and legal persons information and documents at the disposal thereof, except for the information and documents provided for by Article 12 of this Law, which may be provided without the consent of the person as prescribed by Article 12 of this Law, question persons having information with regard to the case in order to obtain necessary information, by drawing up a protocol thereon;

(3) use, free of charge, the information database (including electronic) used for official purposes;

(4) engage, where necessary, a relevant specialist or expert (specialised expert institution) at the expense of funds provided for by the State Budget;

(5) assign to carry out operational intelligence measures provided for by the Law "On operational intelligence activity" in order to establish the scope of beneficial owners, affiliated persons and volume of assets. The operational intelligence measures prescribed by points 8, 11, 12, 13, 15 and 16 of part 1 of Article 14 of the Law "On operational intelligence activity" may not be carried out on the basis of the assignment prescribed by this point;

(6) with a view to receiving information on assets located outside the territory of the Republic of Armenia, use the on-line databases containing necessary data and send a request for information to competent bodies of a foreign state as provided for by the international treaties ratified by the Republic of Armenia or the legislation of the state concerned;

(7) exercise other powers provided for by this Law.

2. The competent body may apply to the Corruption Prevention Commission for conducting analysis of the declaration issued as provided for by this Law and receive the results of the analysis.

3. The information sought as provided for by points 1 and 2 of part 1 of this Article shall be subject to provision within a period of two weeks from the moment of receipt of the relevant enquiry.

Article 12. Requesting evidence prior to bringing an action

1. The competent body may, when carrying out the examination, collect information containing secret protected by law, as prescribed by this Article.

2. The competent body shall undertake necessary measures aimed at preservation of information obtained during examination and containing a secret.

3. The competent body may apply to the Court of First Instance by submitting an application for requesting information constituting notarial, bank, insurance or trade secrecy, official information prescribed by the Law "On securities market" (except for information provided for by point 6 of part 2 of Article 98 of the Law "On securities market"), official information prescribed by the Law "On crypto-assets" (except for information provided for by point 5 of part 2 of Article 76 of the Law "On crypto-assets"), credit information or credit history.

4. The Court shall examine the request without convening a session and shall render a decision within seven days upon receipt of the application. Upon the initiative of the Court, with a view to receiving additional clarifications, it may convene a court session, the time and the venue whereof

shall be notified only to the competent body.

5. The Court shall render a decision on requesting the information sought, where it is justified by the competent body that the data are necessary for revealing facts of significant importance for the examination. The court decision shall be sent only to the competent body.

6. Where the application for requesting evidence is granted, the Court of First Instance shall render a decision on requesting the evidence, indicating the pieces of evidence that must be provided to the competent body and the time limits for providing this evidence, and, where necessary, also the procedure for provision thereof.

7. The decision on rejecting the application may be appealed by the competent body to the Anti-Corruption Court of Appeal of the Republic of Armenia (hereinafter referred to as the "Anti-Corruption Court of Appeal") within a period of 7 days upon receipt thereof, and the decision of the Anti-Corruption Court of Appeal may be appealed to the Court of Cassation within a period of 15 days upon receipt of the decision of the Anti-Corruption Court of Appeal. The decision on accepting appeals and cassation appeals for proceedings shall be sent only to the competent body.

8. The decision on granting the application may be appealed by the person in respect to the data whereof the court decision has been rendered. The decision of the Court may be appealed to the Anti-Corruption Court of Appeal within a period of 7 days upon receipt thereof, as provided for by this Law, and the decision of the Anti-Corruption Court of Appeal may be appealed to the Court of Cassation within a period of 15 days upon receipt of the decision of the Anti-Corruption Court of Appeal. Appealing the judicial act shall not suspend the course of proceedings for civil forfeiture of illegal assets.

9. Appeals and cassation appeals filed based on parts 7 and 8 of this Article shall be examined without convening a court session, as provided for by the Civil Procedure Code of the Republic of Armenia for examination of a complaint filed against an interim judicial act.

10. The competent body may, on the basis of a court decision on requesting the evidence, apply and receive the information provided for by the decision from persons possessing it.

11. In case of failure to submit the evidence to the competent body within the time limits specified in the court decision, upon the application of the competent body, the Court of First Instance shall immediately send the application for compulsory enforcement of the decision on the request for evidence for compulsory enforcement. The decision on the request for evidence shall be enforced immediately, as prescribed by the Law "On enforcement proceedings".

12. Persons providing the requested information based on this Article shall be obliged to keep the confidentiality of provision of those data and not to disclose the fact of existence of an examination or of provision of data to other persons, including their clients.

(Article 12 edited by HO-91-N of 3 March 2021, amended by HO-578-N of 23 December 2022, supplemented by HO-162-N of 29 May 2025, amended by HO-196-N of 11 April 2024)

(Article as amended by point 1 of Article 1 of Law HO-196-N of 11 April 2024 shall have effect from the moment of introduction of the system ensuring the electronic transfer by the court of the data necessary to initiate enforcement proceedings to the Compulsory Enforcement Service, as well as the system for submitting enforcement applications electronically by the Court, the Constitutional Court, and the Supreme Judicial Council (and the staff thereof), in compliance with the decision of the Government provided for by part 4 of Article 23 of the Law "On enforcement proceedings", in accordance with part 2 of Article 2 of the same Law)

(Law HO-196-N of 11 April 2024 has a transitional provision)

Article 13. Preliminary summarisation of examination results

1. By the preliminary results of examination, the competent body shall draw up a summary on examination results, deciding to:

- (1) terminate the proceedings for civil forfeiture of illegal assets; or
- (2) undertake measures for bringing an action for civil forfeiture of illegal assets.

2. The competent body may undertake the measures provided for by this Law for bringing an action with regard to the civil forfeiture of illegal assets, where there are sufficient grounds to assume that the person owns illegal assets the value whereof exceeds the threshold provided for by part 1 of Article 24 of this Law upon the examination data.

3. In the case it is not possible to reasonably conclude, on the basis of the summary, that there are illegal assets subject to forfeiture as provided for by this Law, the competent body shall render a decision on terminating the forfeiture proceedings. The decision on terminating the forfeiture proceedings shall be immediately sent to the Deputy Prosecutor General co-ordinating the sector,

who shall be competent, in case the decision is not reasonable or lawful, to abolish the decision and assign the competent body to take measures for bringing an action for civil forfeiture of illegal assets.

Article 14. Application of provisional measures of security to assets

1. The competent body may, after drawing up the summary on the preliminary results of examination, file an application with the Court of First Instance on applying provisional measures for securing the claim, which shall be examined as prescribed by the Civil Procedure Code of the Republic of Armenia for examination of applications on applying provisional measures for securing a claim, taking into account the peculiarities provided for by this Law.
2. The requirements provided for by points 1-4 and 6 of part 4 of Article 137 and point 1 of part 5 of Article 137 of Civil Procedure Code of the Republic of Armenia shall be set forth for the form of the application on applying provisional measures for securing the claim.
3. When filing the application provided for by this Article, the applicant shall be exempt from the liability to pay the amount of state duty, as well as amount ensuring compensation of possible damages to the deposit of the Court.
4. Partial or full overlap of the subject-matter of the claim and the subject-matter of the application on provisional measure for securing the claim shall not be a ground for rejecting the application.
5. The time limit provided for by part 9 of Article 137 of the Civil Procedure Code of the Republic of Armenia regarding provisional measures for securing the claim, applied based on this Law, shall be six months. Where the competent body has rendered a decision to suspend the course of the examination as provided for by this Law, the running of the time limit of six months provided for by this part shall be suspended from the moment of receiving the decision on suspension by the court having applied the provisional measure for securing the claim. The court having applied the provisional measure for securing the claim shall, immediately after resuming the examination, be notified thereon, and the time limit for filing the statement of claim shall continue running for the remaining part thereof.
6. Norms of the Civil Procedure Code of the Republic of Armenia on securing the counter-claim may not be applied with regard to the applicant.
7. Where, based on this Law, preliminary measures for securing the claim and later measure for securing the claim are applied, in addition to the grounds provided for by part 2 of Article 134 of the Civil Procedure Code of the Republic of Armenia, the measure of security may be fully or partially lifted upon the application of the person with regard to the assets whereof the measure of security has been applied, where the he or she substantiates that lifting attachment from the assets is necessary for covering expenses of advocate or reasonable living expenses thereof or of persons under the custody thereof, or for paying alimony or making compensations for damages caused to life or health.

(Article 14 amended by HO-91-N of 3 March 2021)

Article 15. Preliminary security of evidence

1. Prior to bringing an action, the competent body may, based on examination results, file an application with the Court of First Instance on provisional measures for securing evidence, where it finds that otherwise submitting necessary evidence may become complicated or impossible. The submitted application shall be examined according to the rules of securing evidence prescribed by the Civil Procedure Code of the Republic of Armenia.
2. Taking as a basis the complexity of submitting evidence being outside the territory of the Republic of Armenia, the Court may render a decision on implementing provisional security of evidence being outside the territory of the Republic of Armenia through interrogating witnesses, specialists, examining written or physical evidence, assigning expert examinations, and interrogating experts. The court decision shall be provided to the applicant, based whereon the competent body shall undertake necessary measures with regard to the enforcement of the decision outside the territory of the Republic of Armenia.

Article 16. Notification of interested persons

1. The competent body shall, within 5 working days after applying all the necessary provisional measures of security and, in case there is no necessity to apply such measures — after preliminarily summarisation of the examination results, notify and invite all the interested parties known upon the examination materials for familiarising with the materials collected as a result of

examination and expressing their position on the data received.

2. The competent body shall notify the person on the legality of origin of assets whereof the examination has been carried out, and shall invite him or her to submit a declaration which shall include the following data:

(1) assets belonging to the person and members of his or her family as of the moment of submission of the declaration;

(2) liabilities of the person and members of his or her family against each other and third persons as of the moment of submission of the declaration;

(3) list of all bank accounts of the person and members of his or her family within and outside the territory of the Republic of Armenia as of the moment of submission of the declaration;

(4) income of the person and members of his or her family and sources thereof during the period of time under examination;

(5) transactions for asset alienation or acquisition of the person and members of his or her family and financing sources thereof during the period of time under examination;

(6) other circumstances regarding assets that are the subject of examination.

3. The sample for of declarations and the procedure for completion thereof shall be approved by the Government.

4. Interested persons shall, within one month upon receipt of a notice, have the right to familiarise with the materials collected by the results of examination and submit their position.

5. Refusal by a person to submit a declaration or a position may not be interpreted and used against him or her or members of his or her family. In case of submitting a declaration, submission of false or untrue data therein shall entail liability provided for by law.

Article 17. Procedure for notifying interested persons

1. The competent body shall be obliged to notify, as provided for by this Article, all interested persons known upon the examination materials. Interested persons not having been notified as provided for by this Article may, before initiating a case in the Court of First Instance, exercise their rights in the manner and within the time limits provided for by Article 16 of this Law, starting from the moment they learned or might have learned about the existence of an examination.

2. Interested persons shall be notified as prescribed by Article 10 of the Law “On public and individual notification via the Internet”, or by a registered mail with return receipt. The notifications must contain information on the inviting body and the addressee, the circumstances giving a ground to the competent body to assume that the civil forfeiture of examined assets may affect the rights or obligations of the person being invited, information on the right to familiarising with materials of the case, to submit a declaration, position, as well as on the means and time limits for exercise thereof.

3. The competent body shall send the registered mail by applying the rules provided for by parts 2-4 of Article 95 of the Civil Procedure Code of the Republic of Armenia.

4. In case of existence of necessary data, the competent body shall notify interested persons via electronic communication means as well, by applying the rules provided for by Article 97 of the Civil Procedure Code of the Republic of Armenia.

5. Parallel to taking the measures provided for by parts 3 and 4 of this Article, the competent body shall post data on the existence of proceedings for civil forfeiture of illegal assets and on assets included within its framework on the official website for public notifications of the Republic of Armenia, inviting interested persons to familiarise with the materials of the case and express their position.

6. All interested persons shall be deemed to be notified of the existence of proceedings for civil forfeiture of illegal assets upon the receipt of the notice sent as provided for by parts 3 and 4 of this Article, and in case of absence of data on the receipt — after one month upon posting the announcement provided for by part 5 of this Article.

(Article 17 amended by HO-270-N of 9 June 2022, edited by HO-426-N of 4 December 2025)

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 18. Final summarisation of examination results and drawing up of a conclusion

1. The competent body shall, based on the materials submitted by the interested persons and

on the evidence collected, draw up a conclusion on examination results.

2. Where there are sufficient grounds to assume that the person owns illegal assets the value whereof, according to the data of the examination, exceeds the threshold provided for by part 1 of Article 24 of this Law, the competent body shall draw up a conclusion comprising:

- (1) data known to the competent body on the type, market value of acquired assets and on the fact of its being encumbered by other persons' rights;
- (2) comparison of assets belonging to the person within the meaning of this Law to the person's lawful income known to the competent body, used for the acquisition of such assets;
- (3) data on the fact the persons possessing the assets are informed that the assets are illegal;
- (4) list of evidence whereon the conclusion is based;
- (5) decision on lodging an action for civil forfeiture of illegal assets or on concluding a conciliation agreement.

3. In case it is not possible to reasonably conclude, on the basis of the collected materials, that there are illegal assets subject to forfeiture as provided for by this Law, the competent body shall render a decision on completion of the examination, mandatorily addressing the data provided for by points 1-3 of part 2 of this Article. A copy of the decision on completing the examination shall be immediately sent to the Deputy Prosecutor General co-ordinating the sector, who shall be competent, in case the decision is unreasonable or unlawful, to issue an assignment within a two-week period to the prosecutor to continue the examination or bring an action to the Court of First Instance.

4. The examination may be completed by concluding a conciliation agreement, which must comply with the requirement provided for by law. The procedure for concluding a conciliation agreement shall be defined by the order of the Prosecutor General.

(Article 18 edited by HO-270-N of 9 June 2022

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 19. Completing the examination with conciliation agreement

1. Proceedings for civil forfeiture of illegal assets may be completed with a conciliation agreement, if the person owning the illegal assets submits a declaration provided for by this Law.

2. A conciliation agreement may not define a lower size of assets for transfer in favour of the Republic of Armenia than 75 percent of the value of the alleged illegal assets upon the data of the conclusion on the examination results. The value of the illegal assets shall be calculated based on the market value the assets have at the moment of concluding the conciliation. Under the conciliation agreement, illegal assets shall be transferred to the Republic of Armenia in-kind, and if these assets have been transferred to a bona fide acquirer, are encumbered by other persons' rights or it is impossible to identify, separate or forfeit them, as well as, if such a proposal is made by the person owning the illegal assets, their market value shall be transferred to the Republic of Armenia in drams.

3. The conciliation agreement shall be formulated up in writing and submitted by an application jointly signed by the parties to the Court of First Instance for approval. The original copy of the conciliation agreement shall be attached to the application.

4. The court shall discuss the conciliation agreement at a court session, with the participation of the persons having signed it, if the latter have not filed a motion to discuss the conciliation agreement in their absence. Before approving the conciliation agreement, the court shall explain to the persons present at the court session the procedural consequences thereof.

5. Based on the results of examination of the application, the court shall, within one month upon the receipt of the application, render a judgment on approval or non-approval of the conciliation agreement. If the period of validity of the applied provisional measures for securing the claim expires before the expiry of the one-month time limit specified in this Article, their validity period shall be extended until the day following the day of rendering the court judgment.

6. The court shall not approve the conciliation agreement, if the notified persons having signed the notified conciliation agreement or the representatives thereof have failed to appear at two consecutive court sessions and have not submitted a motion to postpone the court session or to resolve the issue of approving the conciliation agreement in their absence, as well as in the cases provided for by part 4 of Article 151 of the Civil Procedure Code of the Republic of Armenia.

CHAPTER 3

EXAMINATION OF THE CLAIM ON CIVIL FORFEITURE OF ILLEGAL ASSETS AT COURT

Article 20. Filing a statement of claim

1. The competent body may file a statement of claim to the Court of First Instance on behalf of the Prosecutor General's Office of the Republic of Armenia on the basis of the conclusion on the results of examination.
2. A claim in an action may be waived by the person having filed it, or by the Deputy Prosecutor General co-ordinating the sector, or by the Prosecutor General.
3. By changing the subject and/or the basis of the claim by the statement of claim or in accordance with the procedure provided for by the Civil Procedure Code of the Republic of Armenia, any other claim related to the civil forfeiture of illegal assets, including a claim for application of consequences of invalidity of the null and void transaction, declaring the disputable transaction as invalid, application of the consequences of invalidity thereof or the circumstance of concluding any contract relevant to the claim for civil forfeiture of illegal assets may be challenged by the plaintiff. The statute of limitations provided for by the Civil Code of the Republic of Armenia or other laws shall not apply to the claims provided for by this part. The claims provided for by this part may be filed only with respect to relations having arisen within the time limits determined as provided for by parts 2 and 3 of Article 7 of this Law.
4. Where illegal assets have been transferred to a bona fide acquirer or it is impossible to identify, separate or forfeit them, the amount equivalent to the market value of the illegal assets at the moment of filing the claim, if there is a relevant claim, and if it is impossible to establish the market value — an amount equal to the cost of acquiring these asset may be forfeited from the respondent upon the decision of the court.
 - 4.1. Where the illegal assets are located outside the territory of Republic of Armenia, the competent body may request forfeiture of an amount equal to the cost of acquiring the illegal assets, if there is no information on the market value of these assets at the time of filing the action.
5. Where the illegal assets are encumbered by other persons' rights provided for by part 4 of Article 23 of this Law, the competent body may, at its choice, request the forfeiture of the illegal assets or of the amount equivalent to the market value of the illegal assets at the time of filing the action, and if it is impossible to establish the market value — an amount equal to the cost of acquiring these assets.

(Article 20 edited, supplemented by HO-270-N of 9 June 2022

(Law HO-270-N of 9 June 2022 has a transitional provision)

Article 21. Peculiarities of completing case proceedings with a conciliation agreement and suspension of case proceedings in court

1. Persons participating in the case may complete the case, as prescribed by the Civil Procedure Code of the Republic of Armenia, with a conciliation agreement meeting the requirements provided for by parts 2 and 3 of Article 19 of this Law.
2. Following the initiation of a civil case in court, in addition to the grounds provided for by the Civil Procedure Code of the Republic of Armenia, the court shall also have the right to suspend the case proceedings based on the application of the person with regard to the assets whereof the examination has been carried out, if the examination was launched on the ground provided for by point 2 of part 1 of Article 5 of this Law and the fact the applicant has the status of the accused in concurrent criminal proceedings makes his or her effective participation in the initiated civil case difficult.
3. The court may not suspend the case proceedings upon the ground provided for by point 1 of part 1 of Article 157 of the Civil Procedure Code of the Republic of Armenia, except where the investigation into the given case is impossible before a final act is rendered on another matter or case being examined through the procedure of constitutional or criminal proceeding. The relevant final act on another matter or case being examined through the procedure of civil or administrative proceedings shall be a new circumstance within the meaning of Article 419 of the Civil Procedure Code of the Republic of Armenia, if it declares the transaction invalid or eliminates the circumstance or fact that served as a ground for delivering a judgment on civil forfeiture of illegal assets.

(Article 21 amended by HO-159-N of 9 June 2022)

Article 22. Presumption that assets are illegal and submission of evidence

1. The presumption that the assets are illegal shall be effective with regard to relations of civil forfeiture of illegal assets, unless the legality of the acquisition of the assets is proved.

2. The court may render a judgment taking as a basis the presumption that the assets are illegal, where as a result of the examination of the case the plaintiff proves that the assets belonging to the respondent, including one unit of assets, several units of assets or the share of one unit of assets are not justified by the data on the sources of lawful income.

3. The respondent may refute the presumption that the assets are illegal by submitting evidence justifying the acquisition of the assets by lawful income.

4. Where, in accordance with the law or regulatory legal acts, facts must be confirmed only by certain evidence, a person shall not bear the negative consequences that a fact to be proved thereby remains disputable, if he or she proves that this evidence has been destroyed or lost by no fault thereof.

Article 23. Civil forfeiture of illegal assets from the acquirer of assets

1. Assets belonging to the person within the meaning of this Law, which are illegal assets and which have been acquired by another person shall not be subject to civil forfeiture from a bona fide acquirer.

2. A person shall not be a bona fide acquirer, if the competent body proves that this person has known or might have reasonably known that the assets were illegal at the time of the acquisition thereof.

3. Regardless of the regulation of part 2 of this Article, a person shall be a bona fide acquirer, if he or she proves that the assets have been transferred thereto as a compensation for the damage caused to life or health, or as alimony.

4. Property rights to the assets belonging to the person, other than the right of ownership of a person not affiliated thereto (hereinafter referred to within the meaning of this Article as “property rights”) shall be retained, unless the competent body proves that the person knew or might have reasonably known that the assets were illegal at the moment those rights arose.

5. Where the assets are encumbered with property rights of the person’s affiliated legal person or a close relative, or where the person whereto the assets belong is the beneficial owner of the given property rights, those rights shall terminate from the moment of entry into legal force of the judgment of the court on civil forfeiture of the assets.

Article 24. Rendering of judgment on civil forfeiture of illegal assets

1. Illegal assets shall be subject to civil forfeiture, where upon the evaluation of the submitted evidence the court comes to the conclusion that the market value of such assets exceeds AMD 50 million at the moment of filing the action.

2. Improvements to illegal assets shall also be calculated in the market value, if it is impossible to separate them from the assets, regardless of the lawfulness of the income used for such improvements. After the civil forfeiture of the assets, a person shall have the right to request back his or her expenses for the improvement, which were incurred using lawful income.

3. Illegal assets shall be forfeited in favour of the Republic of Armenia.

4. All rights registered over illegal assets shall be considered as terminated from the moment of entry into legal force of the court judgment, except for the cases provided for by part 4 of Article 23.

CHAPTER 4

MANAGEMENT OF ASSETS

Article 25. Management of assets transferred into possession of the State

1. The court, guided by the peculiarities provided for by this Law, shall apply one of the measures of security provided for by Article 129 of the Civil Procedure Code of the Republic of Armenia.

2. Where in exceptional cases, based on the peculiarities of examination of a case, the court render a decision on transferring the assets into possession of the State upon applying a security of the claim, the management and maintenance of the given assets shall be carried out by the

State.

3. The assets may, as a security of claim, be transferred to the State, where:

(1) it is probable that the value of the assets may significantly reduce otherwise;

(2) it is probable that the assets may be used for committing a crime;

(3) conditioned by the peculiarities of the assets or the use thereof, it is probable that leaving the assets with the respondent may make impossible or significantly complicate the further civil forfeiture of the assets.

4. The assets may be transferred by competent body to state and local self-government bodies having equipment, premises and specially qualified staff necessary for maintenance of the assets, as well as to state organisations (organisations with state participation).

5. If it is necessary for retention of the value of assets to ensure the specialised current management thereof, the State may transfer the given assets to trust management.

6. The procedure for holding a tender for trust management of assets, as well as the model form of the trust management contract shall be approved by the Government.

7. Necessary expenses related to maintenance and management of assets shall be financed from the State Budget.

Article 26. Alienation of assets transferred into possession of the State

1. Where perishable or movable property requiring considerable expenses for retaining the value of assets is transferred into possession of the State, the competent body may apply to the court examining the case, by requesting to authorise the alienation of assets.

2. A court session shall be convened for the examination of the issue on authorising the alienation of assets, of which the person having filed the motion and the known owner of the assets shall be notified, and their failure to appear shall not be a hindrance for consideration of the motion.

3. The court shall render a decision on the motion taking into account the opinion of persons participating in the case and peculiarities of maintaining the assets.

4. Based on the decision of the court on authorising the alienation of assets, the sales of assets shall be performed as prescribed by the Law "On compulsory enforcement of judicial acts".

5. Sums received from the alienation of assets shall be kept under the State's disposal until the security measures are lifted.

CHAPTER 5

INTERNATIONAL CO-OPERATION

Article 27. Body carrying out communication in matters on civil forfeiture of illegal assets

1. The Republic of Armenia shall co-operate with other states within the scope of inquest and procedures implemented by them, which shall be aimed at the civil forfeiture of illegal assets irrespective of legislative formulations used by the given state.

2. Unless otherwise provided for by international treaties of the Republic of Armenia, communication on matters on attachment of assets located in the territory of the Republic of Armenia and their civil forfeiture, received from competent bodies of foreign states, as well as on attachment of assets located in the territory of a foreign state and their civil forfeiture by a competent court of the Republic of Armenia shall be carried out through the Prosecutor General's Office of the Republic of Armenia.

3. The Republic of Armenia shall execute the request received from another state based on reciprocity in the area of mutual assistance, unless the execution thereof contradicts the public order of the Republic of Armenia.

Article 28. Requirements for requests received from foreign states

1. The ground for the communication provided for by this Law shall be the request received from competent bodies of foreign states (hereinafter referred to in this Article as "request") in

relation to assets located in the territory of the Republic of Armenia.

2. Unless otherwise provided for by an international treaty in force between the requesting state and the Republic of Armenia, a request must contain:

- (1) name of the applicant body;
- (2) title of the request;
- (3) sufficient information on persons and assets relating to the object of the request;
- (4) the essence of the request and the legal grounds substantiating the competence of the applicant body to send the given request.

3. Where the request relates to the enforcement of a judgment, order or decision on security measure of a foreign court in the territory of the Republic of Armenia, the certified copy of the judicial act of the state submitting it shall be attached to the request, and in cases provided for by international treaties — other materials as well.

Article 29. Procedure for execution of a request received from foreign states

1. The Prosecutor General's Office of the Republic of Armenia may, upon receiving a request for discovery of assets and provision of information from a relevant body of a foreign state, undertake the measures provided for by Articles 11 and 12 of this Law, with a view to receiving and providing the requested information.

2. Acts of a foreign court on civil forfeiture of illegal assets and security measures applied in connection therewith shall be recognised based on reciprocity, which shall be deemed to be existing unless proved otherwise.

3. The Prosecutor General's Office of the Republic of Armenia shall — upon receipt from a competent body of a foreign state a request for civil forfeiture of assets, application of a court order or security measures relating to the assets, as well as information and documents necessary for recognition and enforcement of such foreign judicial act — submit an application on recognising the requested judicial act and authorising its execution as prescribed by Chapter 52 of the Civil Procedure Code of the Republic of Armenia.

4. The Prosecutor General's Office of the Republic of Armenia shall immediately inform the competent body of a foreign state about the rendered decision.

5. Where, pursuant to international treaties of the Republic of Armenia or this Law, the execution of the request received from a competent body of a foreign state contradicts the public order of the Republic of Armenia or is otherwise impossible, the relevant body of the foreign state shall be notified of the impossibility of executing the request and of reasons thereof.

Article 30. Recovery and distribution of illegal assets

1. Matters related to recovery of forfeited assets to the requesting state and distribution of assets shall be regulated by the international treaties ratified by the Republic of Armenia, including separate agreements concluded with the interested states, or through mutual agreement reached by the competent body through diplomatic channels.

Article 31. Procedure for sending a request

1. A request for information on assets located in the territory of a foreign state, imposing attachment thereon, applying measures for security of assets or evidence, or for civil forfeiture of assets, as well as the attached documents shall be sent to the competent body of a foreign state by the Prosecutor General's Office of the Republic of Armenia.

Article 32. International co-operation during examination of a case by the court

1. Matters of legal assistance following initiation of a civil case based on the claim by the competent body shall be regulated as provided for by the Civil Procedure Code of the Republic of Armenia.

CHAPTER 6

OTHER PROVISIONS

Article 33. Summarisation of results of applying the Law

1. The competent body shall publish an annual report on initiated forfeiture proceedings and the results thereof, observing the obligation to ensure the confidentiality of the data provided for by this Law and other legal acts.

Article 34. Transitional provisions

1. This Law shall enter into force on the tenth day following the day of its official promulgation, except for the cases provided for by this Article.

2. Articles 4-33 of this Law shall enter into force from the date of appointment of at least three prosecutors of the first composition of the responsible sub-division of the Prosecutor General's Office of the Republic of Armenia.

3. The obligation to send the materials provided for by part 1 of Article 4 of this Law to the competent body shall arise, where the ground provided for by Article 5 of this Law exists in a case pending in pre-trial proceedings or judicial proceedings as of the entry into force of Article 4 of this Law or has emerged after the entry into force of Article 4 of this Law.

4. The time limit for launching examination, provided for by part 2 of Article 4 of this Law, shall enter into force six months after the date of appointment of at least three prosecutors of the first composition of the responsible sub-division of the Prosecutor General's Office of the Republic of Armenia. Before that, a one-month time limit shall be effective for verifying the existence of grounds for initiating an examination.

5. The decisions of the Government provided for by part 3 of Article 16 and part 6 of Article 25 of this Law shall be adopted within two months from the moment of entry into force of the relevant Articles of this Law.

**President
of the Republic of Armenia**

A. Sargsyan

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