TRANSPARENCY INTERNATIONAL
anticorruption center

ALTERNATIVE CHECKLIST

ON THE ARMENIAN GOVERNMENT'S SELF-ASSESSMENT ON CHAPTERS 2 AND 5

OF THE UNITED NATIONS CONVENTION AGAINST CORRUPTION

CHAPTER II (PREVENTIVE MEASURES)

Article 5 Paragraph 1

Each State Party shall, in accordance with the fundamental principles of its legal system, develop and implement or maintain effective, coordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability.

Armenia is among those countries, whose anti-corruption policies(its concept, goals, objectives, institutional framework and monitoring and evaluation system) have been mainly formulated and implemented through anti-corruption strategies and their action plans, though elements of those policies can be found in many other legal acts (many of them implemented as specific measures of anti-corruption strategies' action plans) and strategies. Thus, it would be reasonable to analyze Armenia's anti-corruption policies by considering its anti-corruption strategies, which, to date, have been adopted as government decrees.

The first anti-corruption strategy, with its implementation action plan, was adopted by Government Decree N1522-N on November 6, 2003.It entered into effect on December 20, 2003 and its implementation was officially completed by September 2007.[1] The second strategy, with its implementation action plan, was adopted by Government Decree N1272-N on October 8, 2009. It entered into effect on December 3, 2009 and was completed on December 31, 2012. The third and most recent strategy was adopted by Government Decree N1141-N on September 25, 2015 and was completed on December 31, 2018. The next anti-corruption strategy, with its implementation action plan to be implemented during 2019-2022, is currently being developed.

[1]According to the implementation action, it should be completed by December 31, 2006, but, as some of its measures have not been implemented by that time, it was extended until September 2007.

a) Effectiveness of the anti-corruption policies

Unfortunately, because of the lack of genuine political will, resources and capacities, there have been no serious studies carried out or commissioned by the government aimed at assessing the implementation of the anti-corruption policies in the framework of the first and second anti-corruption strategies and their action plans. A lack of resources also prevented civil society organizations and academic institutions from undertaking such an effort. Though there is now a greater political will under the current government, the assessment of the implementation of anti-corruption policies in the framework of the third 2015-2018 strategy and its implementation action plan, faces a similar lack of resources. Thus, one cannot directly assess the real effectiveness of anti-corruption policies implemented to date.[2] However, an indirect assessment is possible by measuring the change in corruption perception, as measured by indices published by well-known international organizations including Transparency International's ***Corruption Perception Index*** (CPI) and ***Global Corruption Barometer*** (GCB), the World Bank's ***Control of Corruption*** index, which is one of its six World Governance Indexes, as well as the ***Corruption*** sub-index of Freedom House's ***Democracy Score*** produced by their *Nations in Transit* annual study. The results of all these indices since 2003, when Armenia's first anti-corruption strategy with its implementation action plan came into effect, reveals no statistically significant positive or negative trends throughout the entire period before the velvet revolution that took place in Armenia in the spring of 2018. Thus, it can be concluded that the effectiveness of anti-corruption policies, at least before the velvet revolution, was negligible, as they did not move the needle on the people's perception of the level of corruption in Armenia.

b) Coordination of anti-corruption policies

As mentioned in the Government's response to the Checklist, the coordination of the anti-corruption policies in Armenia is the responsibility of the Council on the Fight against Corruption. However, it is worth mentioning that, according to the Council's Procedure,[3] the Council has no power to adopt legal acts. Legally, it can only make recommendations to the Government to adopt such acts, including those related to the coordination of anti-corruption policies. In effect, its coordination functions are curtailed by the discretion of the Government to accept or ignore the recommendations of the Council. In addition, the Council is not a full-time specialized body with its own staff, casting into doubt its capacity to effectively carry out its official powers.[4]

It should be mentioned that by the June 24, 2019 Prime-Minister's Decision N 808-N the mentioned above Decision on the establishment of the Council on the Fight against Corruption was revoked and

[2]Obviously, it would not be adequate to assess the effectiveness of the implementation of anti-corruption strategies and their action plans merely by calculating the percentage of the implemented measures against all measures foreseen by the implementation action plans. Sadly, this approach was considered as the measure of effectiveness of the implementation of anti-corruption strategies under the previous governments.

[3] See Appendix 2 of the Government's February 19, 2015 Decree N165-N on establishing the Council on the Fight Against Corruption, Task Force…

[4] Indirect proof of the Council's limited functional capacity lies in the fact that the Council has not convened its meetings since March 22, 2018, though its Procedure requires holding such meetings at least once per quarter.

the Council on Anti-corruption Policy was established. Currently, the formation of the new Council is in process (the 5 seats allocated to NGOs, which shall be filled through contest among those NGOs, who applied for those seats, are still vacant), though its first meeting has already been held on July 12, 2019 (see the coverage of the meeting at https://www.primeminister.am/en/press-release/item/2019/07/12/Nikol-Pashinyan-Anticorruption-Session/).

c) Participation of the society

Regarding the implementation of this provision of the Paragraph, it could be added (to the Government's response to the Checklist) that the private sector was not meaningfully involved in drafting the last anti-corruption strategy and its implementation action plan (as was the case with the two previous strategies). Also, the absence of meaningful mechanisms and tools for monitoring (including participatory frameworks) and evaluation of the implementation of the strategy and its action plan, seriously limited the level of participation of the civil society, leaving it to its own resources and capacities to monitor and evaluate some aspects of the strategy and its action plan implementation.

d) Inclusion of the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability

The mentioned principles are reflected in the most recent2015-2018 anti-corruption strategy and its action plan. However, because of the lack of political will on the side of the previous regime, the implementation of these principles was only superficial in nature. There is hope that the new Government, which to date has indicated a genuine political will to fight corruption in the country, will include and then truly implement these principles in the new, fourth anti-corruption strategy and its action plan.

Article 5 Paragraph 2

Each State Party shall endeavour to establish and promote effective practices aimed at the prevention of corruption.

To the list of anti-corruption preventive tools and practices mentioned in the Government's self-assessment checklist, one could add the system of declaration of income and property, as well as the existence of regulations on ethics, conflict of interest, accepting gifts, post-employment restrictions, prevention of involvement in business activities and others for public servants (see Law on Public Service). However, mainly due to the lack of relevant capacities, neither the governmental bodies, primarily the former Department on the Monitoring of Anti-Corruption Programsof the Staff of the RA Government (since June 2018,the Department of Anti-Corruption Programs and Monitoring), nor civil society organizations, carried out detailedassessments of the effectiveness of anti-corruption

prevention during both the implementation of the recent (2015-2018) and previous (2003-2007 and 2009-2012) anti-corruption strategies and their implementation action plans.[5] Any assessment was limited to listing the status of the items mentioned in the strategy implementation action plan as completely implemented, partially implemented or not implemented at all. In fact, none of the annual reports on the implementation of the most recent 2015-2018 Anti-Corruption Strategy and Its Implementation Action Plan even included such an assessment.

Article 5 Paragraph 3

Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.

Such specific anti-corruption (including corruption prevention) evaluations take place only during the drafting of consequent anti-corruption strategies with their implementation action plans.[6]These evaluations were not very detailed, with the exception of the evaluation of the second, 2009-2012 strategy, which was conducted by experts hired by the Anti-Corruption Strategy Implementation Monitoring Commission (a structure that existed during the implementation of the first (2003-2007) and second (2009-2012) anti-corruption strategies) with funding from the EU Delegation to Armenia.[7] Similar evaluations were carried out before the adoption of the Law on the Corruption Prevention Commission and Law on Whistle-Blowing System in 2017. Elements of such evaluation could be also found in the evaluations carried out in relation to the adoption of the Law on Public Service and Law on Civil Service in March 2018. Such evaluations, however, are neither systematic nor evidence-based.

Article 5 Paragraph 4

States Parties shall, as appropriate and in accordance with the fundamental principles of their legal system, collaborate with each other and with relevant international and regional organizations in

[5]It is worth mentioning that Chapter 4 of the 2015-2018 Anti-Corruption Strategy and Measure N53 of its implementation action plan was specifically about the system of monitoring and evaluation of the strategy and its implementation action plan. However, nothing has been done throughout the whole period of the strategy implementation. The annual reports prepared by the Government provided no information about the implementation of Measure N53 (see the list of brief annual reports for 2015-2018 period at https://anti-corruption.gov.am/am/reports).

[6]Such efforts took place in 2001-2002 during the drafting of the first, 2003-2007 anti-corruption strategy, in 2007-2009 while drafting the second, 2009-2012 strategy. In 2013-2015 during the drafting of the third, 2015-2018 strategy, and currently, starting from 2018, in the process of drafting the fourth, 2019-2022 strategy.

[7]See https://www.gov.am/u_files/file/xorhurdner/korupcia/1409.pdf (in Armenian).

promoting and developing the measures referred to in this article. That collaboration may include participation in international programmes and projects aimed at the prevention of corruption.

Information provided in the Government's assessment checklist is mostly complete. However, it should also include an analysis of the efficiency of such collaboration. That could be, in its turn, assessed through the analysis of the implementation of the challenges, recommendations and commitments that Armenia undertook while joining international or regional organizations (for example, GRECO or OECD Anti-Corruption Network's Istanbul Anti-corruption Action Plan) or signing and ratifying relevant anti-corruption regional and/or global conventions (for example, UNCAC). In the cases of GRECO or OECD Istanbul Anti-corruption Action Plan (IAP), such analysis could be found in their monitoring or compliance reports, which are available on their websites.[8]

Article 6 Paragraph 1

Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies, as appropriate, that prevent corruption by such means as: (a) Implementing the policies referred to in article 5 of this Convention and, where appropriate, overseeing and coordinating the implementation of those policies; (b) Increasing and disseminating knowledge about the prevention of corruption.

Currently the anti-corruption institutional model in Armenia is the de-centralized model, under which not only the major components of anti-corruption policy, namely, detection, prevention and education, are under the jurisdiction of different governmental agencies, but also the prevention functions are distributed among different governmental bodies. The Government's assessment checklist in response to this paragraph mentions the following state bodies as possessing anti-corruption preventive functions: the Commission on Ethics for High-Ranking Officials (CEHRO), Department of Anti-corruption Programs and Their Monitoring of the Staff of the Prime-Minister[9]and Division for Anti-corruption and Penitentiary Policies Development of the Ministry of Justice.[10]The oversight and coordination of anti-corruption policies, including prevention policies, are carried out by the Council on the Fight Against Corruption.

[8] See https://www.coe.int/en/web/greco/evaluations/armenia for GRECO and https://www.oecd.org/corruption/acn/istanbulactionplancountryreports.htm for OECD IAP

[9] The Government's checklist mentions its predecessor, the anti-corruption projects monitoring and evaluation department of the Staff of First Deputy Prime-Minister, which was later reorganized into the current Department.

[10]It should also be mentioned that many internationally recognized prevention measures either are not carried out by any state bodies in Armenia or they are carried out by different state bodies for their own purposes. One example of the latter is the assessment of corruption risks in the drafts of legal acts. This assessment is carried out by the ministries (not on a regular basis) regarding the drafts of legal acts developed by them or the National Assembly (NA), in the cases, when the drafts of legal acts are initiated by the members of NA.

At this moment, Armenia does not have a functioning, specialized corruption prevention body, despite the fact that the Armenian National Assembly (NA) passed the Law on the Commission for the Prevention of Corruption in June 2017.According to this law, such a Commission, as a specialized body which is endowed with most corruption prevention functions, should be established. However, to date, this body has not been created. Finally, there are no state bodies in Armenia that are tasked with increasing and disseminating knowledge on the prevention of corruption.

Article 6 Paragraph 2

Each State Party shall grant the body or bodies referred to in paragraph 1 of this article the necessary independence, in accordance with the fundamental principles of its legal system, to enable the body or bodies to carry out its or their functions effectively and free from any undue influence. The necessary material resources and specialized staff, as well as the training that such staff may require to carry out their functions, should be provided.

In response to this paragraph, the Government's assessment checklist refers to the relevant provisions of the Law on the Commission for the Prevention of Corruption (CPC). As mentioned above, the Commission authorized by this law has not yet been established and the Law has not yet come into effect. However, even in its written form, the Law has certain deficiencies connected with the independence of the proposed Commission.[11]First, though the Law defines the principle of independence of the CPC member, it does not explicitly define the independence of the Commission itself. Second, the Law does not contain any provisions ensuring the availability of material resources and premises for the Commission.[12]

Article 6Paragraph 3

Each State Party shall inform the Secretary-General of the United Nations of the name and address of the authority or authorities that may assist other States Parties in developing and implementing specific measures for the prevention of corruption.

The information provided in the Government's assessment checklist is correct.

[11]These deficiencies were mentioned in TIAC's suggestions on the draft of the Law and were not taken into account and, therefore, not included in the Law (see www.transparency.am/hy/publications/view/187 - only in Armenian).
[12]The necessity of having such provision in the Law is explained by the fact that for a long time the currently existing Commission on Ethics of High-Ranking Officials did not have its premises and staff. It was located in the premises of the Office of the President of the Republic and had no separate staff (some of the staff members of the Presidential Office were assigned to the Commission).

Article 7 Paragraph 1

Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen systems for the recruitment, hiring, retention, promotion and retirement of civil servants and, where appropriate, other non-elected public officials:

(a) That are based on principles of efficiency, transparency and objective criteria such as merit, equity and aptitude;

(b) That include adequate procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption and the rotation, where appropriate, of such individuals to other positions;

(c) That promote adequate remuneration and equitable pay scales, taking into account the level of economic development of the State Party;

(d) That promote education and training programmes to enable them to meet the requirements for the correct, honourable and proper performance of public functions and that provide them with specialized and appropriate training to enhance their awareness of the risks of corruption inherent in the 11 performance of their functions. Such programmes may make reference to codes or standards of conduct in applicable areas.

The Government's assessment checklist does not respond to Subparagraph (a) of the Paragraph.[13] As for the response to Subparagraphs (b) and (d), the responses are not adequate, because they should include an analysis of legal provisions related to the procedures of selection and training of individuals for public positions considered especially vulnerable to corruption (for Subparagraph (b)) and to the promotion of education and training programs for civil servants and other non-elected public officials. Instead, the responses simply list the training courses conducted for the different categories of public servants.

The response to Subparagraph (c), which mentions the RA Law on Remuneration of Persons Holding State Positions, is more or less adequate. That Law defines the base salaries for each group of civil servants. However, the response to that Subparagraph does not analyse the extent to which the mentioned law or other legal acts, if such exist, "promote adequate remuneration and equitable pay scales". In fact, according to most economists, politicians, and public, in general, the salaries of state

[13]It should be also mentioned that a substantial part of the response in the Government's assessment checklist discusses issues of integrity and codes of conduct, which have little relevance to the provisions of the Paragraph.

servants are not adequate and there are no legal acts, including the aforementioned Law, that promote adequate remuneration.

Regarding Subparagraph (a),the principles of efficiency, transparency and objective criteria, such as merit, equity and aptitude on which the systems for recruitment, hiring, retention, promotion and retirement of civil servants and other non-elected public officials shall be based, are explicitly spelled out in Part 5 of Article 3 and Article 12 of the Public Service Law (PSL).[14]In addition, Part 2 of Article 3 of Civil Service Law (CSL) provides that civil service shall be organized based on the principles defined by Article 12 of PSL.

As for the provisions of Subparagraph (b), the procedures for the selection for civil servants are defined by Chapter 3 (Articles 8-17) of CSL, and for training – by Article 19 of the same Law. Finally, related to Subparagraph (d), Part 14 of the aforementioned Article 19 provides that, based on the CSL, the Deputy Prime Minister, who coordinates the civil service shall define the procedure for training, the main criteria for the organizations providing trainings, the main principles for defining the credits (earned as a result of trainings), and the principles and types of needs assessment and development of individual programs, as well as for the development of training programs of corresponding state body and compatibility of international certificates on trainings. The requirement of this part of the Article was fulfilled through the January 9, 2019 Decision N2-N of the Acting First Deputy Prime Minister. Similar procedures are contained also in the laws regulating other areas of public service, including the areas more vulnerable to corruption, such as the tax service and customs service.[15]Through the aforementioned legal provisions, training has been conducted for different categories of public servants as mentioned in the Government's assessment checklist response for Subparagraphs (b) and (d).

During the drafting of the PSL and CSL, TIAC submitted its recommendations to improve the draft laws (see https://transparency.am/hy/publications/view/224 - in Armenian). Some of those recommendations were related to the procedures for hiring civil servants mentioned in Subparagraph (b).Not all of them were accepted and, thus, some of the recommendations were left out of the adopted CSL. In particular, the submission of documents for the contest in civil service shall only be in electronic form, though TIAC was recommending that it should also be in paper form. Another important TIAC recommendation, which was also not accepted, was to allow civil society organizations to be observers in the activities of the contest commission.

[14]According to Part 3 of Article 3 of PSL, civil service is one of the types of state service, which, in its turn, is one of the types of public service. Other types of state service are judicial, diplomatic, customs, tax, rescue, military, national security, police, penitentiary, court bailiff and judicial acts compulsory enforcement services. The procedures of recruitment, hiring, retention, promotion and retirement for each type of mentioned state services are regulated by relevant laws on that service.

[15]Articles 17-19 of the Law on Tax Service regulate the selection of tax officials. Article 21 of the same Law provides that each year one third of tax officials shall undergo training. Also, it provides that these trainings are carried out according to the procedures defined by the tax body. Similar provisions are contained in the relevant articles of the Law on Customs Service (see Articles 12-14 and 16 of the Law).

Article 7 Paragraph 2

Each State Party shall also consider adopting appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to prescribe criteria concerning candidature for and election to public office.

The Government's self-assessment checklist describes the criteria for candidates for President of the Republic, Government members, judges, Prosecutor General, Human Rights Defender, as well as members of the Central Electoral Commission, Television and Radio Commission, Audit Chamber and the Board of the Central Bank.[16]The checklist also describes the criteria for candidates running for elected office (i.e. members of the National Assembly and municipal Council of Elders), which are formulated in the Electoral Code.

In addition to what is described in the Government's self-assessment checklist, there are other legal acts as well, which contain criteria for candidates to the public service. In particular, Article 7 of the CSL defines in detail the criteria for citizens who seek civil service positions. Similarly, Articles 12 and 13 of the Law on Tax Service formulate criteria for positions in the tax service and Articles 8 and 9 of the Law on Customs Service for the customs service. There are also corresponding provisions in other laws regulating other areas of the public service.

Article 7Paragraph 3

Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.

Regarding the response to this Paragraph, the Government's self-assessment checklistdoes not include information on the legal regulations related to the funding of political parties. These regulations are contained in Article 27 of the Law on Political Parties. It provides that political parties shall submit their financial reports and accounting records to relevant state bodies. Also, every year, by a March 25 deadline, political parties shall publish in media outlets their preceding year's annual report on their financial means, their sources, expenditures and property, as well as, when prescribed by law, their audit report. These reports shall also be submitted to the Central Election Commission's Oversight-Audit Service (OAS), which is the responsible state body for party finances. Article 27 also defines the content of the reports.

[16]These criteria are formulated in the Armenian Constitution and the relevant articles are cited in the checklist.

Funding of political parties during election campaigns is regulated by the Electoral Code. The Code also regulates funding of election campaigns by candidates for elected public office. The response to this Paragraph related to funding during election campaigns in the Government's self-assessment checklist is complete.

However, based on the results of monitoring of campaign finance conducted by TIAC, it should also be mentioned that, in previous years, because of a lack of political will, as well as insufficient resources available to the OAS, there was no verification of the reports submitted by political parties.

Article 7 Paragraph 4

Each State Party shall, in accordance with the fundamental principles of its domestic law, endeavour to adopt, maintain and strengthen systems that promote transparency and prevent conflicts of interest.

The part of the checklist's response on conflict of interest in the public sector is mostly complete. As concerns the provision regarding the systems promoting transparency, the response in the checklist is limited by a short description of the e-draft platform for the drafts of normative legal acts. This platform enables citizens to be informed about those drafts and submit comments and suggestions on them. The government bodies, who are the authors of the draft legal acts, shall respond to those comments and suggestions. At the same time, legislation on the public service contains many more provisions aimed at the promotion of transparency in the public service and these provisions should also be reflected in the Government's checklist.

Article 8 Paragraph 1

In order to fight corruption, each State Party shall promote, inter alia, integrity, honesty and responsibility among its public officials, in accordance with the fundamental principles of its legal system.

The whole of Chapter 5 (Articles 21-33) of the PSL called "Integrity System" is devoted to the integrity, honesty and responsibility of public officials. It defines the integrity system, its elements and code of conduct. It also regulates, at the conceptual level, acceptance of gifts by public officials, incompatibility requirements for public servants, situations involving conflict of interest and other

limitations related to holding public office.[17] This system shall be in place in all areas of the public service.[18]

Article 8 Paragraphs2 and 3

2. In particular, each State Party shall endeavour to apply, within its own institutional and legal systems, codes or standards of conduct for the correct, honourable and proper performance of public functions.

3. For the purposes of implementing the provisions of this article, each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, take note of the relevant initiatives of regional, interregional and multilateral organizations, such as the International Code of Conduct for Public Officials contained in the annex to General Assembly resolution 51/59 of 12 December 1996.

The response to Paragraph 2 in the checklist (which is complete) is, as mentioned in *Footnote 17* of this report, actually the response given to Paragraph 1 of this Article. It should also be mentioned that for some unexplained reason, that response (to Paragraph 1) is the copy/paste of the part of the response to Paragraph 1 of Article 7 (compare pages 29-35 with pages 62-67).

There is no response to Paragraph 3 in the Government's checklist.

Article 8 Paragraph 4

Each State Party shall also consider, in accordance with the fundamental principles of its domestic law, establishing measures and systems to facilitate the reporting by public officials of acts of corruption to appropriate authorities, when such acts come to their notice in the performance of their functions.

The response to this Paragraph in the Government self-assessment checklist is complete.

[17]The response to this Paragraph in the Government's self-assessment checklist is about codes of conduct, which is only one of the elements of the integrity system. At the same time, the description of the mentioned integrity system is in the response to the next Paragraph of Article 8 (Paragraph 2).

[18]There are also provisions on integrity, honesty and responsibility in the Law on the Corruption Prevention Commission, which, as was already mentioned, still does not enter into effect. However, in the response of the Government's checklist the relevant provisions from that Law are discussed.

Article 8Paragraph 5

Each State Party shall endeavour, where appropriate and in accordance with the fundamental principles of its domestic law, to establish measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials.

The response to this Paragraph in the Government self-assessment checklist is complete.

Article 8Paragraph 6

Each State Party shall consider taking, in accordance with the fundamental principles of its domestic law, disciplinary or other measures against public officials who violate the codes or standards established in accordance with this article.

The response to this Paragraph in the Government self-assessment checklist is complete.

Article 9 Paragraph 1

Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application, shall address, inter alia:

(a) The public distribution of information relating to procurement procedures and contracts, including information on invitations to tender and relevant or pertinent information on the award of contracts, allowing potential tenderers sufficient time to prepare and submit their tenders;

(b) The establishment, in advance, of conditions for participation, including selection and award criteria and tendering rules, and their publication;

(c) The use of objective and predetermined criteria for public procurement decisions, in order to facilitate the subsequent verification of the correct application of the rules or procedures;

(d) An effective system of domestic review, including an effective system of appeal, to ensure legal recourse and remedies in the event that the rules or procedures established pursuant to this paragraph are not followed;

(e) Where appropriate, measures to regulate matters regarding personnel responsible for procurement, such as declaration of interest in particular public procurements, screening procedures and training requirements.

In general, the response to this Paragraph is not in an ordered manner. Specifically, the responses to each subparagraph are scattered throughout the text of the response, unlike the responses to subparagraphs of other paragraphs of other articles, where the responses to subparagraphs follow each other in the same sequence.

The response to subparagraph (a) in the Government self-assessment checklist is mostly complete, though it is scattered throughout the text of the response to the paragraph. It should be added that the Law on Procurement does not provide publishing of the text of the contract. It requires only the publication of the decision on signing the contract with brief information about the bid and results of the tender.[19] However, the portal of electronic procurement also posts the contracts, though not on a regular basis.[20]

Similar to the response to subparagraph (a), the response to subparagraph (b) is also scattered in the text of the response to the paragraph. For open tenders, the requirements mentioned in subparagraph (b) are in Articles 27 and 28 of the Law on Procurement.

As for subparagraph (c), the Law on Procurement and the aforementioned Decree N 526-N (see *Footnote 19*) regulates in detail the use of objective and predetermined criteria for public procurement decisions.[21]

Unlike the responses to previous subparagraphs, the response to subparagraph (d) is in the compact form in the text of the response to this paragraph (see pp. 97-98).

Regarding the response to subparagraph (e), there is very little information in the Government's response to this paragraph. In particular, only at the very end of that response (see pp. 102-103), it only mentions how many procurement coordinators (from state, municipal bodies and under entities who shall conduct their procurement in accordance with the requirements of the Law on Procurement) underwent professional (in 2017) and vocational (in the first half of 2018) training courses. At the same time, the Law on Procurement has certain provisions regarding the declaration of interest. In

[19]See Article 10 of the Law. It should be mentioned that, according to the May 4, 2017 Government Decree N 526-N, which is the main sub-legislative act regulating the processes and procedures of public procurement, in the case of centralized procurement for state needs (which is regulated by Article 17 of the Law on Procurement), the publication of the main contract is allowed (see Paragraph 11 of the Part 100 of the Decree).
[20]See https://armeps.am/ppcm/public/contracts
[21] In the case of tenders, see, for example, Articles 27, 28, 33 and 34.

particular, Part 6 of Article 33 of the Law provides that "The member or secretary of the bid assessment commission cannot participate in the activities of the commission, if at the meeting of bid opening it is revealed that among the bidders there is an organization (company), which has been founded by him/her, or he/she has shares in that company, or the company is founded by his/her(or his/her spouse's) close relative(s) (his/her or his/her spouse's parent, spouse, son/daughter, brother, sister) or the latter has shares in that company". In that case, according to Part 7 of the same Article, immediately after the bid-opening meeting such member or secretary of the assessment commission shall declare his/her official withdrawal from that procurement procedure. Other members of the commission shall sign a declaration of the absence of a conflict of interest, which shall be published in the procurement official bulletin on the next working day following the day of the bid-opening meeting.

In addition to that, the Law on Procurement regulates possible conflict of interest situations of the appeal investigator. Namely, Part 2 of Article 49 provides that "the appeal investigator cannot investigate an appeal, if it is revealed that the appeal procedure involves an organization, which is founded by him/her or his/her(or his/her spouse's) close relative(s) (his/her or his/her spouse's parent, spouse, son/daughter, brother, sister) or he/she or his/her or his/her spouse's close relative(s) have shares in that organization. In such cases, the appeal investigator shall withdraw from the investigation of that appeal. During the investigation of each appeal the appeal investigator shall sign a declaration on the absence of a conflict of interest, which, together with the decision made on the appeal, shall be published in the procurement official bulletin". At the same time, it should also be mentioned that the legislation on procurement does not foresee screening procedures to verify that the members or secretaries of the bid assessment commissions or appeal investigators are not hiding their possible conflict of interest situations.

Regarding the training of the personnel responsible for procurement, Point 10 of Paragraph 1 of Article 5 of the Law on Procurement provides that the procedure for granting qualification and conducting continuous professional training of procurement coordinators shall be defined by the Government of the Republic of Armenia. Besides that, Point 3 of Part 2 of Article 16 of the Law, which defines the regulation and coordination of the public procurement procedures, provides that the authorized state body for public procurement (which is the Ministry of Finance) shall "ensure the granting of qualification and existence of a system of continuous professional training for procurement coordinators". In compliance with these requirements of the Law on Procurement, the Minister of Finance, acting as a head of the state authorized body for public procurement, regularly issues orders on professional training courses for procurement coordinators. The last such order (Order N 294-A) was issued on April 4, 2019 and it is on the continuous training courses for procurement coordinators for the whole period of 2019.[22]

[22] See http://procurement.am/website/images/original/294-A%2004.04.2019.pdf in the Procurement Official Bulletin.

Article 9 Paragraph 2

Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia:

(a) Procedures for the adoption of the national budget;

(b) Timely reporting on revenue and expenditure;

(c) A system of accounting and auditing standards and related oversight;

(d) Effective and efficient systems of risk management and internal control; and

(e) Where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph.

The responses to subparagraphs (a), (b) and (c) in the Government self-assessment checklist are complete. At the same time, they are almost completely repeated (see comparison of the contents in pp. 104-108 with pp. 108-113), with a very minor exception in the response to subparagraph (a), where one small paragraph was added in the "repeated" text (see pp.108-109) compared to the "initial" one (see p. 104).

There are no responses to subparagraphs (d) and (e).

Regarding "effective and efficient systems of risk management and internal control" (subparagraph (d)), the Law on Internal Audit (adopted by NA on December 22, 2010 and entered into effect on February 2, 2011) contains several provisions related to risks and risk management. In particular, Article 2 of the Law defines such terms as risk and risk management. The same Article defines the term "internal audit" and provides that "internal audit shall support the public organization in the achievement of its goals through ...coordinated and regulated assessment and improvement of risk management". The article also defines the term "oversight" as "activities of the organization's leadership aimed at the prevention and reduction of risks related to the achievement of the organization's goals". August 11, 2011 (not 2012, as mentioned in the Government's checklist) RA Government Decree N 1233-N, which is the main sub-legislative act on internal audit, as well as the RA Minister of Finance Order N 1096-N from December 12, 2012, also regulate the disclosure, assessment and management of risks in the public organization.

Concerning subparagraph (d), Article 42 of the Law on Budgetary System provides that there shall be liability for state and local self-administration officials if they violate its provisions. Though neither the Code of Administrative Violations, nor the Criminal Code contain specific articles for public

finance-related violations and crimes, they do contain relevant articles, through which officials deemed to have committed public finance-related violations could be held liable. However, to date, no violations have taken place connected with the procedures of the adoption of the national budget (subparagraph (a)) or reporting of budget revenues and expenditures (subparagraph (b)). Also, in the response to subparagraph (c) in the Government's self-assessment checklist, there is a table showing the 2016 and 2017 data on non-compliance and corrections due to audit.

Article 9 Paragraph 3

Each State Party shall take such civil and administrative measures as may be necessary, in accordance with the fundamental principles of its domestic law, to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents.

The response to the Government's self-assessment checklist is comprehensive related to the oversight of accounting and auditing standards. At the same time, in the last paragraph of the response, which discusses the measures aimed at preserving the integrity of accounting and financial documents, as well as falsification of such documents, only Article 169[11] of the Code of Administrative Offences is mentioned (Failure to keep accounting documents and other accounting-related information). However, there are also Articles 169[1] (Keeping track of accounting (registration) with violations, when it could entail or has entailed to the reduced taxes or failure to submit declaration, calculations in the timelines defined by law), 169[9] (Failure to perform accounting), 169[10] (Failure to define accounting policy), 169[12] (Failure to submit financial reports to state bodies or publish them) and 169[13] (Signing of financial reports, which should be published, by uncertified accountant or submission of such reports without signature).

Article 10 Paragraph 1

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision making processes, where appropriate. Such measures may include, inter alia:

(a) Adopting procedures or regulations allowing members of the general public to obtain, where appropriate, information on the organization, functioning and decision-making processes of its public administration and, with due regard for the protection of privacy and personal data, on decisions and legal acts that concern members of the public;

(b) Simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities; and

(c) Publishing information, which may include periodic reports on the risks of corruption in its public administration.

The response to subparagraph (a) in the Government's self-assessment checklist is complete. However, the responses to subparagraphs (b) and (c) are not relevant. Besides that, it should be mentioned that, in Armenia, there is neither a legal requirement, nor is it standard practice to prepare periodic reports on the risks of corruption in the country's public administration system.

Article 11 Paragraph 1

Bearing in mind the independence of the judiciary and its crucial role in combating corruption, each State Party shall, in accordance with the fundamental principles of its legal system and without prejudice to judicial independence, take measures to strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.

The response to this paragraph in the Government's self-assessment checklist is complete.

Article 11Paragraph 2

Measures to the same effect as those taken pursuant to paragraph 1 of this article may be introduced and applied within the prosecution service in those States Parties where it does not form part of the judiciary but enjoys independence similar to that of the judicial service.

The response to this paragraph in the Government's self-assessment checklist is complete.

Article 12 Paragraphs 1 and 2

1. Each State Party shall take measures, in accordance with the fundamental principles of its domestic law, to prevent corruption involving the private sector, enhance accounting and auditing standards in the private sector and, where appropriate, provide effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply with such measures.

2. Measures to achieve these ends may include, inter alia:

(a) Promoting cooperation between law enforcement agencies and relevant private entities;

(b) Promoting the development of standards and procedures designed to safeguard the integrity of relevant private entities, including codes of conduct for the correct, honourable and proper performance of the activities of business and all relevant professions and the prevention of conflicts of interest, and for the promotion of the use of good commercial practices among businesses and in the contractual relations of businesses with the State;

(c) Promoting transparency among private entities, including, where appropriate, measures regarding the identity of legal and natural persons involved in the establishment and management of corporate entities;

(d) Preventing the misuse of procedures regulating private entities, including procedures regarding subsidies and licences granted by public authorities for commercial activities;

(e) Preventing conflicts of interest by imposing restrictions, as appropriate and for a reasonable period of time, on the professional activities of former public officials or on the employment of public officials by the private sector after their resignation or retirement, where such activities or employment relate directly to the functions held or supervised by those public officials during their tenure;

(f) Ensuring that private enterprises, taking into account their structure and size, have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and that the accounts and required financial statements of such private enterprises are subject to appropriate auditing and certification procedures.

The response to Paragraph 1 of the Article in the Government's self-assessment checklist is complete. However, there is no response to Paragraph 2 of the Article.

Article 12 Paragraph 3

In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

(a) The establishment of off-the-books accounts;

(b) The making of off-the-books or inadequately identified transactions;

(c) The recording of non-existent expenditure;

(d) The entry of liabilities with incorrect identification of their objects;

(e) The use of false documents; and

(f) The intentional destruction of bookkeeping documents earlier than foreseen by the law.

The response to this Paragraph in the Government's self-assessment checklist is very limited. It mentions only Article 169[11] of the Code of Administrative Violations, whereas, similar to the response to Paragraph 3 of Article 9 of UNCAC on the accounting in public sector, the articles mentioned in that section of this alternative checklist also apply for preventing violations related to accounting in the private sector. In addition, there are also relevant articles in the Criminal Code, such as illegal entrepreneurship (Article 188), false entrepreneurship (Article 189), bribery in the private sector (Article 200), preparing and selling false accounting documents (Article 203), failure to pay tax, customs fees or other mandatory state fees (Article 205), and the abuse of power by the employees of commercial and other organizations (Article 214).

Article 12 Paragraph 4

Each State Party shall disallow the tax deductibility of expenses that constitute bribes, the latter being one of the constituent elements of the offences established in accordance with articles 15 and 16 of this Convention and, where appropriate, other expenses incurred in furtherance of corrupt conduct.

The response in the Government's self-assessment checklist is very superficial. As giving, mediating or accepting a bribe are criminal offences according to Armenian Criminal Code (see Articles 310, 311, 311.1, 312, 312.1 and 313), obviously no company or other business entity would include bribes in their official expenses.

Article 13 Paragraph 1

Each State Party shall take appropriate measures, within its means and in accordance with fundamental principles of its domestic law, to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organizations and community-based organizations, in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption. This participation should be strengthened by such measures as:

(a) Enhancing the transparency of and promoting the contribution of the public to decision-making processes;

(b) Ensuring that the public has effective access to information;

(c) Undertaking public information activities that contribute tono tolerance of corruption, as well as public education programmes, including school and university curricula;

(d) Respecting, promoting and protecting the freedom to seek, receive, publish and disseminate information concerning corruption. That freedom may be subject to certain restrictions, but these shall only be such as are provided for by law and are necessary:

(i) For respect of the rights or reputations of others;

(ii) For the protection of national security or *ordre public* or of public health or morals.

Formally, the response in the Government's self-assessment checklist to this paragraph is complete. However, it is worth mentioning that before the April-May 2018 velvet revolution, the previous regime's attempts at corruption prevention and, more generally, the fight against corruption was only superficial in nature (because of the lack of political will), rather than a serious and systematic undertaking. Under those circumstances, the participation of civil society, as well as structures and legal regulations aimed at promoting the participation of civil society organizations in the fight against corruption did not have a serious positive impact on corruption, which remained systemic at the highest levels.[23]

Article 13 Paragraph 2

Each State Party shall take appropriate measures to ensure that the relevant anti-corruption bodies referred to in this Convention are known to the public and shall provide access to such bodies, where appropriate, for the reporting, including anonymously, of any incidents that may be considered to constitute an offence established in accordance with this Convention.

The response in the Government's self-assessment checklist to the paragraph is complete. It could be added that the anonymous reporting electronic platform is now functioning.

[23]In fact, both the institutional structures and legal regulations were put in place under the previous regime and it was apparent that the goal was to show to potential donors that there was a serious fight against corruption and that that fight had broad support from civil society organizations.

Article 14 Subparagraph 1(a)

Each State Party shall:

(a) Institute a comprehensive domestic regulatory and supervisory regime for banks and non-bank financial institutions, including natural or legal persons that provide formal or informal services for the transmission of money or value and, where appropriate, other bodies particularly susceptible to money-laundering, within its competence, in order to deter and detect all forms of money-laundering, which regime shall emphasize requirements for customer and, where appropriate, beneficial owner identification, record-keeping and the reporting of suspicious transactions

The response in the Government's self-assessment checklist to the subparagraph is complete.

Article 14 Subparagraph 1(b)

Each State Party shall:

(b) Without prejudice to article 46 of this Convention, ensure that administrative, regulatory, law enforcement and other authorities dedicated to combating money-laundering (including, where appropriate under domestic law, judicial authorities) have the ability to cooperate and exchange information at the national and international levels within the conditions prescribed by its domestic law and, to that end, shall consider the establishment of a financial intelligence unit to serve as a national centre for the collection, analysis and dissemination of information regarding potential money-laundering.

The response in the Government's self-assessment checklist to the subparagraph is complete.

Article 14Paragraph 2

States Parties shall consider implementing feasible measures to detect and monitor the movement of cash and appropriate negotiable instruments across their borders, subject to safeguards to ensure proper use of information and without impeding in any way the movement of legitimate capital. Such measures may include a requirement that individuals and businesses report the cross-border transfer of substantial quantities of cash and appropriate negotiable instruments.

The response in the Government's self-assessment checklist to the paragraph is generally complete. It should also be added that the illegal transfer (smuggling) of cash and/or payment instruments is a criminal offence according to the Armenian Criminal Code (see Article 215.1 of the Code).

Article 14 Paragraph 3

States Parties shall consider implementing appropriate and feasible measures to require financial institutions, including money remitters:

(a) To include on forms for the electronic transfer of funds and related messages accurate and meaningful information on the originator;

(b) To maintain such information throughout the payment chain; and

(c) To apply enhanced scrutiny to transfers of funds that do not contain complete information on the originator.

The response in the Government's self-assessment checklist to the paragraph is complete.

Article 14Paragraph 4

In establishing a domestic regulatory and supervisory regime under the terms of this article, and without prejudice to any other article of this Convention, States Parties are called upon to use as a guideline the relevant initiatives of regional, interregional and multilateral organizations against money-laundering.

The response in the Government's self-assessment checklist to the paragraph is complete.

Article 14 Paragraph 5

States Parties shall endeavour to develop and promote global, regional, subregional and bilateral cooperation among judicial, law enforcement and financial regulatory authorities in order to combat money-laundering.

The necessary information is already contained in the response to subparagraph 1 (b) – not (a), as mentioned in the response to this paragraph – of this Article.

CHAPTER V (ASSET RECOVERY)

The idea of using the assets return institute in Armenia was conceived after the change in government in 2018. Armenian criminal and civil legislation provide the grounds for the confiscation and recovery of assets on the basis of the *in persona* principle. However, there are also some legislative gaps, which hinder the return of assets on the principle of *in rem*. After the Velvet Revolution, to this end, Armenia is currently implementing measures to support the overall return of assets.

Armenian legislation regulates the mechanisms for the return of assets, in particular, conviction - based asset recovery. This approach is considered as the most common form of asset recovery: when a person's assets are recovered at the same time the person is convicted for corruption. Different countries apply different methods of asset confiscation, such as confiscation only of assets acquired through the crime or confiscation of income derived from the assets and their exploitation. Regarding non-conviction-based asset recovery, which, in some countries, is also referred to as "civil forfeiture", Armenian legislation does not currently have legal regulations to return assets on the basis of the *in rem* principle. Studies have shown that more assets were recovered without conviction than through criminal prosecution/conviction. Non-conviction-based asset recovery can work effectively in all procedural processes through settlement agreements and compensation of losses by the court.

Of the aforementioned avenues, non-conviction-based asset recovery can, at present, be more effective in Armenia due to the following reasons:

- Unlike other methods, bringing a claim against the property will preclude the political prosecution of individuals, because the goal is to collect the illegally-acquired property, rather than to imprison the person. It will enable the person to avoid criminal prosecution, conviction, and a personal criminal record of conviction.
- Asset recovery without a convicting judgment ensures a faster process because the state's efforts are concentrated on tracing the property, rather than collecting evidence for prosecuting the individual. The evidence is essentially provided by the person by means of filing a declaration.

Although "asset recovery" in the international context mostly implies the return of assets from abroad to the jurisdiction of origin, it can, in principle and in substance, also take place within the same country.

As can be seen from this discussion, Armenian legislation has not actually been tested, which would reveal the positive and negative aspects of assets recovery. For this reason, the answers to the questionnaire are mainly limited to legislative regulations.

Article 51

The return of assets pursuant to this chapter is a fundamental principle of this Convention, and States Parties shall afford one another the widest measure of cooperation and assistance in this regard.

It should be noted that Armenia has no experience in returning assets from other countries, though, in terms of asset return, Armenia has joined international agreements that regulate money laundering issues. In addition, Armenia does not have legal mutual assistance agreements to organize all stages of the return of assets from other countries.

The legislation of the Republic of Armenia provides grounds for confiscation only in cases of available judgements. Hence, there are no regulations regarding non-conviction-based confiscation. For this reason, the implementation of certain measures of the Convention still implies appropriate reforms in Armenian legislation.

Article 52 Paragraph 1

Without prejudice to article 14 of this Convention, each State Party shall take such measures as may be necessary, in accordance with its domestic law, to require financial institutions within its jurisdiction to verify the identity of customers, to take reasonable steps to determine the identity of beneficial owners of funds deposited into high-value accounts and to conduct enhanced scrutiny of accounts sought or maintained by or on behalf of individuals who are, or have been, entrusted with prominent public functions and their family members and close associates. Such enhanced scrutiny shall be reasonably designed to detect suspicious transactions for the purpose of reporting to competent authorities and should not be so construed as to discourage or prohibit financial institutions from doing business with any legitimate customer.

The current legislation in Armenia specifically regulates financial institutions' control over the financial performance of their customers, which enables the control of the field and the use of state control mechanisms, in the case of high risk, for example, through the transfer of money, depending on its purpose and basis. At present, the most important issue is the introduction of efficient mechanisms for overcoming banking secrecy mechanisms as, in many cases, inefficient banking secrecy does not allow for revealing illegal means transferred through the banking system.

Currently, the bill on amendments to the RA Criminal Procedure Code is under consideration, which will regulate the banking secrecy limitation mechanisms. However, it should be noted that these legal regulations should be implemented taking into account the imperative to secure the stability of the

financial system, as banking secrecy is also a guarantee of the stability of the financial system of each country.

Article 52 Subparagraph 2(a)

In order to facilitate implementation of the measures provided for in paragraph 1 of this article, each State Party, in accordance with its domestic law and inspired by relevant initiatives of regional, interregional and multilateral organizations against money-laundering, shall:

(a) Issue advisories regarding the types of natural or legal person to whose accounts financial institutions within its jurisdiction will be expected to apply enhanced scrutiny, the types of accounts and transactions to which to pay particular attention and appropriate account-opening, maintenance and recordkeeping measures to take concerning such accounts.

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 52 Subparagraph 2(b)

In order to facilitate implementation of the measures provided for in paragraph 1 of this article, each State Party, in accordance with its domestic law and inspired by relevant initiatives of regional, interregional and multilateral organizations against money-laundering, shall:

(b) Where appropriate, notify financial institutions within its jurisdiction, at the request of another State Party or on its own initiative, of the identity of particular natural or legal persons to whose accounts such institutions will be expected to apply enhanced scrutiny, in addition to those whom the financial institutions may otherwise identify.

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 52 Paragraph 3

In the context of paragraph 2 (a) of this article, each State Party shall implement measures to ensure that its financial institutions maintain adequate records, over an appropriate period of time, of accounts and transactions involving the persons mentioned in paragraph 1 of this article, which should, as a minimum, contain information relating to the identity of the customer as well as, as far as possible, of the beneficial owner.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 52 Paragraph 4

With the aim of preventing and detecting transfers of proceeds of offences established in accordance with this Convention, each State Party shall implement appropriate and effective measures to prevent, with the help of its regulatory and oversight bodies, the establishment of banks that have no physical presence and that are not affiliated with a regulated financial group. Moreover, States Parties may consider requiring their financial institutions to refuse to enter into or continue a correspondent banking relationship with such institutions and to guard against establishing relations with foreign financial institutions that permit their accounts to be used by banks that have no physical presence and that are not affiliated with a regulated financial group.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 52 Paragraph 5

Each State Party shall consider establishing, in accordance with its domestic law, effective financial disclosure systems for appropriate public officials and shall provide for appropriate sanctions for non-compliance. Each State Party shall also consider taking such measures as may be necessary to permit its competent authorities to share that information with the competent authorities in other States Parties when necessary to investigate, claim and recover proceeds of offences established in accordance with this Convention.

The declaration system for assets, property and interests is regulated by the RA Law on Public Service. The Law has recently been amended in June 2017.As a result, declaration regulations were improved and the scope of declarant officials has been widened. New tools and powers necessary for the verification of asset declarations and imposing administrative fines for related violations, as well as a separate budget, were granted to CEHRO. Moreover, a new Law on Public Service was adopted in 2018, which has reformed the whole public service system. The reforms made to the

declaration system were maintained. The declaration system of Armenia is mainly focused on the declaration of assets which can respectively serve the objective related to the detection and prevention of illicit enrichment. Nevertheless, the country has entered into a new phase of declaration system development, which is marked by adopting legislation on interest declaration to be introduced in January 2019. This development will, in its turn, transform the Armenian declaration system into a dual objective type system. The asset declaration system management is the prerogative of the Commission on Ethics of High-Ranking Officials (CEHRO) of Armenia. However, the Corruption Prevention Commission will be established (according to the Law on the Corruption Prevention Commission) on the basis of the CEHRO and will take the lead in regulating the process of declaration and inspecting and analyzing the declarations.

Armenia may provide available information to other States on the basis of legal assistance agreements with law enforcement agencies, upon their request. For example, the transmission of information with the Russian Federation and other countries of the Commonwealth of Independent States may be carried out on the basis of the Minsk and Kishinev Convention on Legal Assistance and Legal Relations in Criminal, Civil and Family Matters. Such an exchange of information between European countries can be implemented on the basis of the 1959 Convention on legal assistance in criminal matters. The Prosecutor General's Office of the Republic of Armenia may apply the Convention as a basis for requests for legal assistance. In the case of Part 6 of Article 55 of the Convention, contact shall be always kept with the competent authority of the requesting State. The Prosecutor General's Office of the Republic of Armenia is the competent authority of the State with the information provided for in Article 21 of the European Convention on Mutual Assistance in Criminal Matters regarding Article 56 of the Convention. The transfer of such information may be carried out on the basis of a relevant decision of the judicial authority of the requesting State. In the case of Armenia, there has not yet been a case of requesting information from other states on the basis of the Declaration of RA.

Article 52 Paragraph 6

Each State Party shall consider taking such measures as may be necessary, in accordance with its domestic law, to require appropriate public officials having an interest in or signature or other authority over a financial account in a foreign country to report that relationship to appropriate authorities and to maintain appropriate records related to such accounts. Such measures shall also provide for appropriate sanctions for non-compliance.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 53 Subparagraph (a)

Each State Party shall, in accordance with its domestic law:

(a) Take such measures as may be necessary to permit another State Party to initiate civil action in its courts to establish title to or ownership of property acquired through the commission of an offence established in accordance with this Convention;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 53 Subparagraph (b)

Each State Party shall, in accordance with its domestic law:

(b) Take such measures as may be necessary to permit its courts to order those who have committed offences established in accordance with this Convention to pay compensation or damages to another State Party that has been harmed by such offences;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 53Subparagraph (c)

Each State Party shall, in accordance with its domestic law:

(c) Take such measures as may be necessary to permit its courts or competent authorities, when having to decide on confiscation, to recognize another State Party's claim as a legitimate owner of property acquired through the commission of an offence established in accordance with this Convention.

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 54Subparagraph 1(a)

Each State Party, in order to provide mutual legal assistance pursuant to article 55 of this Convention with respect to property acquired through or involved in the commission of an offence established in accordance with this Convention, shall, in accordance with its domestic law:

(a) Take such measures as may be necessary to permit its competent authorities to give effect to an order of confiscation issued by a court of another State Party;

The response in the Government's self-assessment checklist to this subparagraph is generally complete. One should also add that the absence of cases of the return of assets from other states has not allowed the discovery of shortcomings and gaps that may arise from the application of legal norms.

Article 54 Subparagraph 1(b)

Each State Party, in order to provide mutual legal assistance pursuant to article 55 of this Convention with respect to property acquired through or involved in the commission of an offence established in accordance with this Convention, shall, in accordance with its domestic law:

(b) Take such measures as may be necessary to permit its competent authorities, where they have jurisdiction, to order the confiscation of such property of foreign origin by adjudication of an offence of money-laundering or such other offence as may be within its jurisdiction or by other procedures authorized under its domestic law;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 54 Subparagraph 1(c)

1. Each State Party, in order to provide mutual legal assistance pursuant to article 55 of this Convention with respect to property acquired through or involved in the commission of an offence established in accordance with this Convention, shall, in accordance with its domestic law:

(c) Consider taking such measures as may be necessary to allow confiscation of such property without a criminal conviction in cases in which the offender cannot be prosecuted by reason of death, flight or absence or in other appropriate cases.

Large-scale discussions and legal processes are currently being held in Armenia in order to address the legal regulation of the asset recovery facility. In this context, a law on non-conviction-based confiscation has already been drafted and sent to international experts for comment.

It should be noted that, along with the elaboration of the aforementioned law, the anti-corruption strategy of the Republic of Armenia and its 2019-2022 action plan have been elaborated. However, the final draft of the anti-corruption strategy was published after the publication of the law on non-conviction-based confiscation. Besides, the level of participation of civil society and other stakeholders in the development of both documents was quite low, and can almost be considered inadequate.

Article 54 Subparagraph 2(a)

Each State Party, in order to provide mutual legal assistance upon a request made pursuant to paragraph 2 of article 55 of this Convention, shall, in accordance with its domestic law:

(a) Take such measures as may be necessary to permit its competent authorities to freeze or seize property upon a freezing or seizure order issued by a court or competent authority of a requesting State Party that provides a reasonable basis for the requested State Party to believe that there are sufficient grounds for taking such actions and that the property would eventually be subject to an order of confiscation for purposes of paragraph 1 (a) of this article;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 54Subparagraph 2(b)

2. Each State Party, in order to provide mutual legal assistance upon a request made pursuant to paragraph 2 of article 55 of this Convention, shall, in accordance with its domestic law:

(b) Take such measures as may be necessary to permit its competent authorities to freeze or seize property upon a request that provides a reasonable basis for the requested State Party to believe that there are sufficient grounds for taking such actions and that the property would eventually be subject to an order of confiscation for purposes of paragraph 1 (a) of this article;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 54Subparagraph 2(c)

2. Each State Party, in order to provide mutual legal assistance upon a request made pursuant to paragraph 2 of article 55 of this Convention, shall, in accordance with its domestic law:

(c) Consider taking additional measures to permit its competent authorities to preserve property for confiscation, such as on the basis of a foreign arrest or criminal charge related to the acquisition of such property.

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 55Paragraph 1

A State Party that has received a request from another State Party having jurisdiction over an offence established in accordance with this Convention for confiscation of proceeds of crime, property, equipment or other instrumentalities referred to in article 31, paragraph 1, of this Convention situated in its territory shall, to the greatest extent possible within its domestic legal system:

(a) Submit the request to its competent authorities for the purpose of obtaining an order of confiscation and, if such an order is granted, give effect to it; or

(b) Submit to its competent authorities, with a view to giving effect to it to the extent requested, an order of confiscation issued by a court in the territory of the requesting State Party in accordance with articles 31, paragraph 1, and 54, paragraph 1 (a), of this Convention insofar as it relates to proceeds of crime, property, equipment or other instrumentalities referred to in article 31, paragraph 1, situated in the territory of the requested State Party.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 2

Following a request made by another State Party having jurisdiction over an offence established in accordance with this Convention, the requested State Party shall take measures to identify, trace and freeze or seize proceeds of crime, property, equipment or other instrumentalities referred to in article 31, paragraph 1, of this Convention for the purpose of eventual confiscation to be ordered either by the requesting State Party or, pursuant to a request under paragraph 1 of this article, by the requested State Party.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 3

The provisions of article 46 of this Convention are applicable, mutatis mutandis, to this article. In addition to the information specified in article 46, paragraph 15, requests made pursuant to this article shall contain:

(a) In the case of a request pertaining to paragraph 1 (a) of this article, a description of the property to be confiscated, including, to the extent possible, the location and, where relevant, the estimated value of the property and a statement of the facts relied upon by the requesting State Party sufficient to enable the requested State Party to seek the order under its domestic law;

(b) In the case of a request pertaining to paragraph 1 (b) of this article, a legally admissible copy of an order of confiscation upon which the request is based issued by the requesting State Party, a statement of the facts and information as to the extent to which execution of the order is requested, a statement specifying the measures taken by the requesting State Party to provide adequate notification to bona fide third parties and to ensure due process and a statement that the confiscation order is final;

(c) In the case of a request pertaining to paragraph 2 of this article, a statement of the facts relied upon by the requesting State Party and a description of the actions requested and, where available, a legally admissible copy of an order on which the request is based.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 4

The decisions or actions provided for in paragraphs 1 and 2 of this article shall be taken by the requested State Party in accordance with and subject to the provisions of its domestic law and its procedural rules or any bilateral or multilateral agreement or arrangement to which it may be bound in relation to the requesting State Party.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 5

Each State Party shall furnish copies of its laws and regulations that give effect to this article and of any subsequent changes to such laws and regulations or a description thereof to the Secretary-General of the United Nations.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 6

If a State Party elects to make the taking of the measures referred to in paragraphs 1 and 2 of this article conditional on the existence of a relevant treaty, that State Party shall consider this Convention the necessary and sufficient treaty basis.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 7

Cooperation under this article may also be refused or provisional measures lifted if the requested State Party does not receive sufficient and timely evidence or if the property is of a *de minimis* value.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 55 Paragraph 8

Before lifting any provisional measure taken pursuant to this article, the requested State Party shall, wherever possible, give the requesting State Party an opportunity to present its reasons in favour of continuing the measure.

Armenian legislation does not specifically address a clear mechanism for discussing the need to continue the proceedings proposed by the requesting State. In other words, it is discrete to consider the request from the requesting State for the necessity of its continuation after its expiry. From this point of view, it is necessary to make additions to the Criminal Procedure Code of the Republic of Armenia, which will clarify the aforementioned legal regulations.

Article 55 Paragraph 9

The provisions of this article shall not be construed as prejudicing the rights of bona fide third parties.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 56

Without prejudice to its domestic law, each State Party shall endeavour to take measures to permit it to forward, without prejudice to its own investigations, prosecutions or judicial proceedings, information on proceeds of offences established in accordance with this Convention to another State Party without prior request, when it considers that the disclosure of such information might assist the receiving State Party in initiating or carrying out investigations, prosecutions or judicial proceedings or might lead to a request by that State Party under this chapter of the Convention.

The response in the Government's self-assessment checklist to this article is complete.

Article 57 Paragraph 1

Property confiscated by a State Party pursuant to article 31 or 55 of this Convention shall be disposed of, including by return to its prior legitimate owners, pursuant to paragraph 3 of this article, by that State Party in accordance with the provisions of this Convention and its domestic law.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 57 Paragraph 2

Each State Party shall adopt such legislative and other measures, in accordance with the fundamental principles of its domestic law, as may be necessary to enable its competent authorities to return confiscated property, when acting on the request made by another State Party, in accordance with this Convention, taking into account the rights of bona fide third parties.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 57 Subparagraph 3(a)

In accordance with articles 46 and 55 of this Convention and paragraphs 1 and 2 of this article, the requested State Party shall:

(a) In the case of embezzlement of public funds or of laundering of embezzled public funds as referred to in articles 17 and 23 of this Convention, when confiscation was executed in accordance with article 55 and on the basis of a final judgement in the requesting State Party, a requirement that can be waived by the requested State Party, return the confiscated property to the requesting State Party;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 57 Subparagraph 3(b)

In accordance with articles 46 and 55 of this Convention and paragraphs 1 and 2 of this article, the requested State Party shall:

(b) In the case of proceeds of any other offence covered by this Convention, when the confiscation was executed in accordance with article 55 of this Convention and on the basis of a final judgement in the requesting State Party, a requirement that can be waived by the requested State Party, return the confiscated property to the requesting State Party, when the requesting State Party reasonably establishes its prior ownership of such confiscated property to the requested State Party or when the requested State Party recognizes damage to the requesting State Party as a basis for returning the confiscated property;

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 57 Subparagraph 3(c)

In accordance with articles 46 and 55 of this Convention and paragraphs 1 and 2 of this article, the requested State Party shall:

(c) In all other cases, give priority consideration to returning confiscated property to the requesting State Party, returning such property to its prior legitimate owners or compensating the victims of the crime.

The response in the Government's self-assessment checklist to this subparagraph is complete.

Article 57 Paragraph 4

Where appropriate, unless States Parties decide otherwise, the requested State Party may deduct reasonable expenses incurred in investigations, prosecutions or judicial proceedings leading to the return or disposition of confiscated property pursuant to this article.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 57 Paragraph 5

Where appropriate, States Parties may also give special consideration to concluding agreements or mutually acceptable arrangements, on a case-by-case basis, for the final disposal of confiscated property.

The response in the Government's self-assessment checklist to this paragraph is complete.

Article 58

States Parties shall cooperate with one another for the purpose of preventing and combating the transfer of proceeds of offences established in accordance with this Convention and of promoting ways and means of recovering such proceeds and, to that end, shall consider establishing a financial intelligence unit to be responsible for receiving, analysing and disseminating to the competent authorities reports of suspicious financial transactions.

The response in the Government's self-assessment checklist to this article is complete.

Article 59

States Parties shall consider concluding bilateral or multilateral agreements or arrangements to enhance the effectiveness of international cooperation undertaken pursuant to this chapter of the Convention.

The response in the Government's self-assessment checklist to this article is complete.

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