

Information presented by the Government of the Republic of Armenia prior to the ninth intersessional meeting of the Working Group on Prevention from 6 to 7 September 2018, according to the guidance note attached.

I - Information requested from States parties in relation to preventing and managing conflicts of interest (art. 7, para. 4)

- **Description of specific conflict of interest standard(s), indicating if these standards:**
- **Are publicized widely;**

The conflict of interest standards are stipulated in the Public Service Law, which is published in the public registry of legal acts (www.arlis.am). Meantime, Commission on Ethics for High-Ranking Officials circulates the standards through social advertisement, guidebooks, etc.

- **Regulate the outside activities of public officials;**

The Law on Public Service stipulates regulations on outside activities and does not allow public officials to engage in entrepreneurial activity, to hold position not related to their status in state or local self-governing bodies as well as to perform other paid work except for scientific, educational and creative work. The Law on Public Service also formulates the following restrictions prohibiting public officials to:

- 1) be the representative of third parties in relations with the body where he or she serves or which is directly subordinated to him or her or controlled by him or her;
- 2) work jointly with persons closely related to him or her or his or her in-laws if their service is related to each other with immediate subordination or supervision;
- 3) within one year following the release from post, be admitted to work with the employer or become an employee of the organization over which he or she has exercised immediate supervision in the last year of his or her tenure.

Additional regulations may be prescribed by sectorial laws.

- **Prohibit the holding by public officials of certain types of assets or positions in legal entities that are incompatible with their primary functions, such as an individual sitting on the board of a company;**

The Law on Public Service stipulates that public officials shall not hold a position in commercial organizations. Holding positions in commercial organizations means:

- 1) being in the governing body of a commercial organization;
- 2) holding any other position in a commercial organization,
- 3) being a trust manager in a commercial organization;
- (4) being involved, in any form, in representative, regulatory or managerial functions of a commercial organization. A public official (except for the President, a deputy, a member of the Government, a person holding an autonomous position) or a public servant - without payment, any other form of compensation, social benefits, other services or privileges - may be engaged in the board of directors of a commercial organization with 50 or more percent of participation of the Republic of Armenia, if it is directly connected to the implementation of policy related to the field of his competences.

Within one month upon assuming office, public officials shall ensure fulfillment of the abovementioned requirements.

- **Limit the official actions a public official may take because of a conflict of interest;**

The Law on Public Service provides regulations on conflict of interest and stipulates that public official shall avoid conflicts of interest as well as abstain from taking action or adopting a decision in the situation of conflict of interest.

In Armenia, the conflict of interest situation is defined as taking an action or adopting a decision (in exercising his or her liabilities) that can reasonably be interpreted as being led by his or her personal interests or the personal interests of his or her related persons.

- **Apply criminal, administrative or other sanctions where public officials do not comply with applicable conflicts of interest regulations;**

The violation of conflict of interest regulations entails disciplinary liability. In some instances actual conflict of interest may lead to criminal liability.

- **Description of training or advisory services to public officials regarding relevant conflicts of interest regulations;**

Currently, different specialized public education/training institutions including the Public Administration Academy, the Academy of Justice and the Center of Legal Support and

Training provide training services to public officials and public servants regarding conflicts of interest regulations. The Corruption Prevention Commission (will operate since June 2018, substituting the Commission on Ethics for High Ranking Officials) shall provide recommendations on trainings and education programs (including for officials and public servants) as well as educational and methodological guidelines for the program implementation.

Meanwhile, public officials and public servants can request advisory services on conflict of interest issues as well as recommendations on steps in a conflict of interest situation.

- **Description of public access to information on government processes in which there is a higher risk of conflict of interest between the interests and activities of a public official and the particular type of government process;**

The public access to information on government processes is provided by e-government tools.

- **Description of the specific duties and responsibilities of the specialized staff or bodies given responsibility to strengthen transparency and prevent conflicts of interest in government;**

The Corruption Prevention Commission will be responsible for preventing conflict of interest for public officials. For that purpose, declaration of interest is introduced. Declarations are also subject to publication. Sectorial ethics commissions are tasked to prevent conflict of interest for public servants and enhance transparency in respective services.

- **Description of the institutional structure and procedures to oversee the compliance with conflict of interest legislation and apply respective sanctions.**

In case of a conflict of interests, a person holding a position, shall submit a written statement (which is subject to discussion immediately) with the circumstances on the conflict of interests and shall refrain from taking action or making a decision on the matter before receiving a written consent on the further actions. The issue shall be examined and the respective authority shall take actions to resolve the situation.

Whenever actual conflict of interest situation occurs, the Corruption Prevention Commission will institute special proceedings against public officials. The power to institute proceedings against public servants is vested with sectorial ethics commissions. Meantime, each service/agency has integrity officials, who provide guidance, advise on integrity matters.

The violations of regulations on conflict of interests as a rule entail disciplinary sanctions.

- **Description of the measures aimed at preventing conflicts of interest concerning former public officials in private entities, such as:**
- **Restrictions, for a reasonable period of time, on the professional activities of former public officials;**

Restrictions based on the professional activity criteria are not imposed by the Law. However, there are restrictions for being hired by the employer or becoming an employee (within one year following the release from post) of the organization over which s/he has exercised immediate supervision in the last year of his or her tenure.

- **Restrictions, for a reasonable period of time, on the employment of former public officials by the private sector after resignation or retirement;**

According to regulations, public officials are prohibited to (within one year following the release from post) be admitted to work with the employer or become the employee of the organization over which s/he has exercised immediate supervision in the last year of his or her tenure.

2. Challenges in developing the proper legislative or regulatory framework for managing or preventing conflicts of interest;

Overall, there are no serious challenges in developing the legislative or regulatory framework on conflicts of interests and the country has undergone major legal developments related to conflict of interest system recently (The Law on Corruption Prevention Commission was adopted in 2017 without against voting, the New Law on Public Service Law was adopted in March 2018, illicit enrichment was criminalized in 2017, Law on Whistleblowers Protection was adopted in 2017).

- **Challenges in administering conflict of interest systems;**

The Corruption Prevention Commission and sectoral ethics commissions are vested with the power to administer CoI system, which is being still developed. Successful implementation of recent reforms will depend on the capacity development of the implementing institutions.

- **Challenges in relation to specific recruitment, selection or training requirements for categories of positions considered especially vulnerable to corruption, including possible early identification of potential conflicts of interest;**

Identification of CoI situations is currently an important challenge to be addressed in Armenia. The new system of interest declarations to be introduced in the country will help

better facing the issue. The obligation of interest declaration submission will also be applicable for the positions considered vulnerable to corruption. Moreover, anticipated actions of institutional capacity building of training and guiding public officials on the issues related to the situations of conflict of interest will add more effectiveness to the country's efforts of managing CoI situations.

- **Challenges in providing ethical guidance or advice to public officials;** and

Current gaps in institutional capacity of training and guiding public officials on the issues related to the conflict of interest are significant challenge in Armenia. However, as already mentioned, the new Corruption Prevention Commission will provide professional advice and methodological assistance on the issues at stake.

- **Challenges in communication, and in particular in raising awareness and disseminating information about new standards of conflict of interest or in developing training manuals, courses, curricula or other related material, including online initiatives, used in training programmes for public officials.**

Lack of strong communication capacities and sufficient resources impede awareness raising and communication on the corruption related issues. However, once established, the Corruption Prevention Commission will have powers to provide recommendations on trainings and education programs (including for officials and public servants) as well as educational and methodological guidelines for the program implementation. In this regard, instruments (trainings, consultations and materials) of raising awareness, guidance and disseminating information about new standards of conflict of interest are to be developed.

3. Do you consider that any technical assistance is required in order to allow you to fully implement this provision? If so, what specific forms of technical assistance would you require?

- **Legislative assistance:** Please describe the type of assistance

Legal assistance related to the development of tools and methodologies of effective cooperation with law enforcement institutions would be very beneficial.

- **Institution-building:** Please describe the type of assistance

Assistance in technological development and elaboration of technical solutions in the processes related to CoI management (including case management systems for proceedings) would be of high importance.

- **Policymaking:** Please describe the type of assistance

The need for assistance in capacity building for participation in policymaking is dictated by the establishment of the Corruption Prevention Commission in mid-2018, which will be vested with legal power to participate in the development of anti-corruption policies in the country.

- **Capacity-building:** Please describe the type of assistance

Assistance in building institutional capacity of training and guiding public officials on the issues related to the situations of conflict of interest would be critical.

- **Research/data-gathering and analysis:** Please describe the type of assistance

Learning about the analysis related to conflict of interest issues (including on the best practices of detecting and managing CoI situations) would be of great benefit to the Commission to be established.

- Facilitation of international cooperation with other countries: Please describe the type of assistance

It is worth to mention the importance of international cooperation in exchanging data and experience related to the initiated proceedings would also be very important.

- **Others:** Please specify

States parties are also encouraged to provide a description of any such assistance already being provided, including donor information.

II - Information requested from States parties in relation to asset and interest disclosure (art. 8, para. 5)

- **Description of the objectives of the declaration system applicable to public officials (prevention of conflict of interest, illicit enrichment, or both [dual system]).**

The declaration system of Armenia is mainly focused on declaration of assets which can respectively serve the objective related to 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. In mid-2018, however, the Corruption Prevention Commission will be established (according to the Law on 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.

- **Where such a declaration system is in place, you may wish to provide information on the following:**
- **Types (categories) of public officials required to make declarations and approximate total number of persons submitting declarations;**

The scope of public officials having obligations of asset declaration submission includes **officials holding state positions** (the President of the Republic; the Prime Minister; deputies of the National Assembly; members of the Constitutional Court; judges, ministers and their deputies; general prosecutor and his/her deputies; prosecutors of marzes, the city of Yerevan and garrisons; chiefs, deputy chiefs and members of the state bodies established by law; chiefs and deputy chiefs of public administration bodies under the Government; chief of staff of the National Assembly and his/her deputies; chief of staff of the Constitutional Court; chiefs of diplomatic services operating in foreign states; the secretary of the National Security Council; advisors and assistants of the President of the Republic; advisors and assistants of the Chairperson of the National Assembly; advisors and assistants of the Prime Minister; chiefs of communities with a population number of 15 000 and more) and **public service positions** at the administrations of the President of the Republic of Armenia, National Assembly, bodies adjunct to the RA Government, ministries, state agencies operating in their governance system, Special Investigation Service, RA Investigative Committee and Investigative Committee's Department, tax and customs services, RA Police, judicial and diplomatic services, regional administrations and permanently functioning bodies established by laws and others.

Currently, approximate number of public official declarants is 3 300. Together with the declarant officials, declarations shall be submitted by their related person (including spouse, minor child and all the persons living together with the declarant official) as well. The number of declarants currently supported by the system is more than 10 000.

- **Information that must be declared (assets, outside activities and employments, positions in companies, other associations, gifts and other benefits, liabilities, etc.);**

The scope of asset declaration contains information related to the property (immovable property, movable property, securities and other investment, loans, valuable (more than 8 million AMD), as well as income (remuneration for work or any other equivalent payment, royalties, interest and other compensation on received or given loans, profits, income received in games in casinos or lotteries, in kind or monetary gains in competitions or contests, property and monetary assets received as donation or aid, inherited property, insurance compensation, income received from entrepreneurship, income received from alienation of property, payment or other compensation for lease income from civil law contracts, lump-sum payments, income received from proprietary rights) received in monetary and non-monetary forms.

All the declaration information, except for identification data of property and persons, are open to general public and can be accessed from the official website of the CEHRO.

Meanwhile, the legal provisions obliging public officials to submit interest declarations shall enter into force in 2019. The interest declarations to be submitted to the Corruption Prevention Commission to be established in mid-2018 shall include information on shares in commercial organizations, involvement in their management, administrative and supervisory bodies, data related to trust managers, data related to his/her membership in non-commercial organizations, involvement in their management, administrative and supervisory bodies, data related to his/her membership in political parties, involvement in their management, administrative and supervisory functions, as well as information on contracts with state.

- **Frequency of declarations required;**

Asset declarations related to assuming and terminating office, shall be submitted within 30 days following the date of assuming and terminating it. Meanwhile, annual declarations as of 31 December of each year shall be submitted no later than March 31 of the following year.

- **How declarations are submitted (in paper format, electronically, in person) and the entities to which they are submitted;**

The asset declaration system management is centralized in the country and the declarations shall be submitted to the CEHRO. The CEHRO has legal functions of maintaining the register of declarations and regulation of declaration analysis process and publication of declarations. The declaration system is supported by an electronic declaration platform, which was

introduced in 2013 and allows online filling in and submission of asset declarations. The system is a multi-pillar platform incorporating a registry of declarant public officials and their related persons, a section of completion and submission of declarations by declarants, a component of generating statistical reports as well as an instrument of declaration analysis.

As mentioned earlier, the new Corruption Prevention Commission will regulate the process of declaration and inspect and analyze the declarations.

- **Availability of tools and advisory services that officials can use in order to comply with their disclosure-related obligations (guidelines for filling out forms, resources for learning about conflict of interest issues, resources for receiving tailored advice on specific conflict of interest situations, etc.);**

The CEHRO constantly provides guidance related to asset declaration issues through all available communications means. It has also developed a guideline for filling in the declarations to advise and guide the declarants in fulfilling their declaration submission obligation, which is integrated into the system.

- **Whether information is declared on assets of public officials' family members or members of public officials' households and under which circumstances such information is provided;**

Not only does the declarant, but also persons related to him/her have obligation of declaration submission. The scope of declarant related persons currently includes the family members (spouse and a minor child) as well as all the persons living together with the declarant official.

- **What mechanisms are in place for ensuring compliance with the obligation to disclose;**

The legal regulations stipulate **administrative sanctions** for violation of asset declaration regulations (late submission, submission with violations of submission requirements and procedures or submission by negligence of wrong and incomplete data in declaration), as well as **criminal punishment** for submission of false data or concealing the data to be declared in the declarations and maliciously non-submission of declarations.

Meanwhile, if, during the administrative proceeding, the conclusion is reached that there are indications of intentional failure to submit a declaration or submitting false information in the declaration or concealing the data subject to declaration – the case shall promptly (but not later than within three days) send the materials to the Prosecutor General's Office.

- **Whether there is public access to any of this information;**

Currently all the declaration information, except for identification data of property and persons, are open to general public and can be accessed from the official website of the CEHRO.

- **Any mechanism in place to carry out the verification/monitoring of the content of declarations; including information on the verification mechanism, such as:**

The CEHRO is vested with the power of declaration analysis through: 1) the compliance checking with the declaration submission rules and guidelines, 2) verification of the declared data. The CEHRO has authority to request and receive information and documents during declaration analysis from state and local self-government bodies, the Central Depository and other persons entitled to maintain shareholders' registry, credit bureaus. The legal regulations also ensure access of the CEHRO to databases of state and local self-government bodies as well as the specified private organizations. Since February 2015, the Commission has had an access to the state electronic databases of 1) the State Register of Legal Entities, 2) the State Register of Civil Status Acts, 3) the Population State Register, 4) the Transportation Vehicles Register and 5) the State Committee of Real Estate Cadaster.

- **How many disclosures are verified (all, a certain percentage, etc.);**

The electronic declaration system allows automated verification of all declarations in the system, as well as analysis of the existing data, including based on risk indicators.

- **What triggers verification (complaints, routine verification/ex-officio, notifications from other institutions, random selection, etc.);**

All the submitted declarations from 2012 were verified in line with existing regulations. The verifications are being triggered ex-officio after declaration submission cycles. Meantime, complaints and media publications also trigger verification.

- **What processes are involved in the verification/review process (checks for internal consistency, cross-checks with external databases, comparisons across years, identification of potential conflicts of interest, etc.);**

The Law on Public Service has vested the CEHRO with the power of declaration analysis through: 1) the compliance checking with the declaration submission rules and guidelines, 2) verification of the declared data. The CEHRO team checks the declarations for internal consistency, cross-checks with external databases as well as conducts comparisons across years.

Meantime the Corruption Prevention Commission is vested with expanded analysis and verification powers and tools. The Commission shall carry out the following: (1) inspection of compliance with the requirements for completing and submitting a declaration; (2) verification of the declared data; (3) mathematical analysis of the declared data; and (4) declaration analysis based on the risk indicators.

- **What information can be accessed during the verification/review process (from public officials or public and private sector entities);**

In the process of analysing declarations, the Commission may demand and receive from state and local self-government bodies, the Central Depository, and other persons entitled to maintain a register of securities holders (nominal holders), and Credit Bureaus (including through an electronic inquiry), information and documents about the official submitting the declaration and on persons who are part of his or her family, except for cases provided for by the Republic of Armenia Law on Bank Secrecy.

In the process of analysing declarations, interoperability of the Commission database with the databases — developed as prescribed by the legislation of the Republic of Armenia — of state and local self-government bodies, organisations specified in part 2 of this Article shall be ensured. Moreover, online access of the Commission to data subject to being declared shall be ensured.

The Commission may demand from a state or local self-government body, state or community institution, state organisation or the officials thereof to conduct studies free of charge and to perform expert examinations free of charge, and provide the results, in relation to circumstances to be found by the Commission.

- **What happens once irregularities are identified (potential conflicts of interest, unjustified variations of wealth, inaccurate information, etc.);**

When the Commission, as a result of analysis of declarations, reaches the conclusion that the declaration has not been submitted within the period prescribed by law or has been submitted in violation of the relevant requirements and procedure or the declared data is incorrect or incomplete, it shall initiate proceedings regarding an administrative offence.

When the analysis of the declaration leaves doubt that the change of property (increase in property and/or reduction in liabilities) of the official submitting a declaration or a person who is part of his or her family is not reasonably justified by his or her lawful incomes, or they have property that is not declared or not fully declared, or the source of income is not lawful or credible, the Commission shall may request clarification or additional materials from the declarant by setting a time limit of at least 10 and at most 30 days for submitting them.

Where the declarant fails to provide clarification or additional materials within the specified time limit, or they are not sufficient to dispel the existing doubt, the Commission shall immediately, but not later than within a three-day period, send the materials to the Office of the Prosecutor General of the Republic of Armenia and adopt a decision on suspension of the proceedings. A copy of the decision shall, within a three-day period of its adoption, be sent to the declarant, and where the proceedings have been initiated on the basis of an application — to the applicant.

The Office of the Prosecutor General shall inform the Commission of the outcome of the examination of the materials, attaching a copy of its relevant decision.

- **Whether and to what extent the content of disclosures (in summary form or all information disclosed) or names of persons submitting declarations are made available to the public and other public sector entities and, moreover, how the information is made available (upon individual request, on-line, etc.);**

As mentioned above, all the declaration information, except for identification data of property and persons, are open to general public and can be easily accessed from the official website of the CEHRO.

- **Number of trained staff dedicated to collection, compliance, providing advisory services to officials, making disclosures publicly available, verification, sending referrals to other entities; what types of sanctions are available in the declaration system (for non-submission, actual conflict of interest, false statement, illicit enrichment, etc.).**

From 2012-2017 5 people. Since 2017 the number is 7. This number will be increased to 12 in 2018. Many processes are conducted through sophisticated system with automated analysis functions.

The legislation stipulates that a failure to submit declaration on time or submission of declaration with violations of submission procedures shall be sanctioned by a warning. If within 30 days the notice the declaration is not submitted or filed in compliance with the requirements on completing declarations or with the procedure of filing declarations, a fine shall be imposed on the official or his related person who had a responsibility of declaration.

Besides, if after 30 days the declaration is intentionally not submitted, the person responsible to submit a declaration shall be punished by a criminal sanction - a fine or by imprisonment for the term of up to two years with/or without deprivation of the right to hold certain posts or practice certain activities for up to 3 years. Separately, Presenting false information in a declaration or concealing data subject to declaring by a declarant official or his family member shall be punished with a criminal sanction - a fine or imprisonment for a maximum term of two years, with or without deprivation of the right to hold certain positions or to engage in certain activities for a maximum period of three years.

2. Challenges related to developing and adoption of the legal framework of the assets and interest disclosure system;

The main challenge of developing and adoption of the legal framework is that amendments shall be respectively reflected in the electronic declaration system, which can turn to be technically difficult and costly.

- **Challenges related to the functioning of the asset and interest disclosure system and in particular:**
- **Challenges related to submission of the declarations;**

The system of declaration submission is electronic in Armenia and it ensures filling in the declarations through an online platform. The declarant shall verify the submitted data with either electronic signature or by signing and submitting the hard copies as well. In the current situation, when most of the declarants have no electronic signature, the declarations are mostly verified by the declarants by sending signed hard copies. This situation hinders the effectiveness of the declaration system and is time and resource consuming, since the hard copies of signed declarations shall also be maintained, the electronic and hard copies of declarations shall be compared to make sure they are identical and etc.

- **Challenges related to verification of the declarations;**

There are challenges related to connecting through electronic declaration system with some of the state databases due to the differences in technical parameters of databases, which required

additional technical solutions. On the other hand, not all information held in public bodies is digitalized.

One more challenge in declaration data verification is the information related to assets of public officials abroad which due to the lack of international cooperation does not allow receiving respective information.

- **Challenges related to the follow up and to imposing sanctions;**

Imposing administrative sanctions has no serious gaps to be addressed. However, there is no electronic system of case management related to proceedings in place, which makes proceedings time and resource consuming.

- **Challenges related to the transparency of the regime; and**

Not only is the declaration system in Armenia advanced and transparent (all the declaration information, except for identification data of property and persons, are open to general public), but also the CEHRO is keen on ensuring openness of its activities. The CEHRO communicates actively through its official website and other communication tools with its public officials, partners and citizens.

However, the registry of published declarations is searchable based on limited fields. The CEHRO aims to improve it allowing citizens conducting searches, exporting data and making analysis by the general consumers of the website.

- **Challenges related to resources limitations, lack of capacity, etc.**

The recent legal reforms on integrity system development ensured a fully-staffed (of 12 employees) team for the CEHRO by early October of 2017 and a functional independent body with a separate budget line in the state budget. Before 2017 the CEHRO did not have any staff, only 5 commissioners.

Meanwhile, in mid-2018, the Corruption Prevention Commission will be established on the basis of the CEHRO, and capacity building for both the employees transitioning to the new Commission - that will have 40 team members in 2018 and 55 in 2019 - as well as newcomers will be a challenge to face.

3. Do you consider that any technical assistance is required in order to allow you to fully implement this provision? If so, what specific forms of technical assistance would you require?

- **Legislative assistance:** Please describe the type of assistance

Legal assistance in cooperation with law enforcement institutions would be critical, particularly in regard to detection and proceeding illicit enrichment cases.

- **Institution-building:** Please describe the type of assistance

Assistance in technological development is of high importance and urgent in the following directions: enhancing declaration data verification capacity of the Commission through ensuring interoperability of electronic declaration system and digitalization of databases of public institutions as well as constructing case management system for the proceedings to be conducted by the Commission.

- **Policymaking:** Please describe the type of assistance

The Corruption Prevention Commission to be established on the basis of the CEHRO will be vested with legal power to participate in the development of anti-corruption policies in the country, which dictates institutional capacity building related to participation in policymaking. Hence, the assistance in respective capacity building would be of high value.

- **Capacity-building:** Please describe the type of assistance

Assistance in building capacity of training and guiding public officials would be critical.

- **Research/data-gathering and analysis:** Please describe the type of assistance

Learning about the analysis related to declaration system issues would be of high importance. Particularly, best practices of methodologies on declaration verification and analysis would be of great benefit.

- **Facilitation of international cooperation with other countries: Please describe the type of assistance**

International cooperation related to data exchange in the processes of declaration verification as well as initiated proceedings is important.

- **Others: Please specify**

States parties are also encouraged to provide a description of any such assistance already being provided, including donor information.

National legislation of the Republic of Armenia on preventing and managing conflicts of interest and asset and interest disclosure systems

Conflict of interests regulations

The national legislation, namely those in the Law on Public Service, the Law on NA Procedures, the Law on Civil Service, the Judicial Code, the Law on the Prosecutor's Office and other legal acts (overall 24 laws) regulating the conflict of interests, activity limitations and other limitations of public officials were analyzed. Based on the outcomes of the analysis, recommendations have been elaborated to eliminate inconsistencies discussed in the study. The recommendations covered issues related to standardized general rules of conduct and their implication, sectoral rules of conduct as well as local ethics commissions (establishment, functions, guidance and capacity building) and will be realized in the new draft legislation package circulated by the Government.

The Law of The Republic of Armenia on Public Service adopted on 26 May 2011 contained definition of conflict of interests and as a main duty of public servant declared the obligation of submitting a declaration of interests in cases and manner prescribed by law. However, the law didn't determine the cases and mechanisms for declaring interests. Besides, the law regulated the actions of only High-Ranking Public Officials in a Situation of Conflict of Interests and regulations for public servants were lacking. The Law on making amendments and supplements to RA Law on Public Service enacted on July 1, 2017 first time gave the mechanism for declaring the interests of high-ranking officials defining its content. Particularly, high-ranking officials should provide data on participation in commercial organisations, representation in the management, administrative or supervisory bodies of commercial organisations, transferring the share to trust management in a commercial organisation with the participation of a high-ranking official, membership in non-commercial organisations and representation in their management, administrative or supervisory bodies, Membership in political parties and representation in their management, administrative or supervisory bodies, contracts concluded with the Republic of Armenia or communities by a high-ranking official and the persons within the composition of his or her family, as well as by the organisations with their participation. Legislative package also established administrative and criminal liability for declaration violations, including declaration of interests of high-ranking officials.

At the same time the new draft law on Public Service was developed, which brings new regulations regarding conflict of interests. In particular, more concrete definition of conflict of interests is provided in the draft law. According the draft law, persons, who shall follow conflict of interests regulations, while appearing in a situation causing conflict of interests, shall inform their supervisor (persons not having supervisors shall apply to Commission for Prevention of Corruption) about the circumstances causing conflict of interests.

At the same time, Article 23 of RA Law on Public Service states:

Article 23. Limitations Applied to the Public Servants and High-Ranking Public Official

1. The public servant and high-ranking public official are prohibited to:

(1) be the representative of third parties in relations in connection with the body where s/he serves or which is directly subordinated to him/her or controlled by him/her;

(2) use his/her service position to secure actual advantages or privileges to political parties, and non-governmental, including religious associations;

(3) receive honoraria for publications or presentations stemming from the discharge of his/her service responsibilities;

(4) use for non-official purposes the logistical, financial and informational resources, state and (or) community property and official information;

(6) receive gifts, money or services in relation to the discharge of his/her service responsibilities, save for cases prescribed by the legislation of the Republic of Armenia;

(7) as a representative of the state, conclude property transactions with persons specified in clause 8 of this Paragraph, save for cases prescribed by the legislation of the Republic of Armenia;

(8) work jointly with persons closely related to him/her or his/her in-laws (parent, spouse, child, brother, sister, spouse's parent, child, brother, and sister) if their service is related to immediate subordination or control of each other (excluding deputies);

(9) within one year following the release from post, be admitted to work with the employer or become the employee of the organization over which s/he has exercised immediate supervision in the last year of his/her tenure.

2. In case of having participation (share, stock, stake) in the statutory capital of commercial organisations, public servants and high-ranking officials shall be obliged – within a one-month period following his or her appointment (election) to the post – transfer it to trust management in the manner prescribed by law. Public servants and high-ranking officials shall have the right to receive income from the property transferred to trust management.

3. Based on the peculiarities of various categories of public service the laws regulating these services may, in addition to limitations prescribed by this Article, prescribe other limitations.

4. A citizen who is not an individual entrepreneur, or a non-commercial organisation may also be a trust manager of public servants or high-ranking officials who have shares in the statutory capital of commercial organisations.

5. Persons having declaration obligation under Article 32 of current law, shall perform all the transactions on borrowing or lending money, on receiving or providing payments (interests or other reimbursement) for lent or borrowed monetary means, on receiving donation of monetary means, on receiving monetary dividends, on receiving income from entrepreneurial activity, on receiving income due to alienation of property, on receiving payment or other reimbursement due to lending agreement, on receiving income from other civil contracts, on receiving payments, and on receiving income

from property rights, where the one time received or provided amount of money is above 2.000.000 AMD or relevant foreign currency, exclusively on non-cash pattern.

6. Any income received in violation of part 5 of this Article is deemed as illegal”.

Article 24 of the same law states:

Article 24. Limitations of Other Activities of Public Servants and High-Ranking Public Officials

1. The public servant or high-ranking public official may not engage in entrepreneurship individually, perform other paid work, save for scientific, academic, creative work or work stemming from the status of the member of an electoral commission, except for cases provided for by Electoral Code of the Republic of Armenia.

2. Within the meaning of this Law, entrepreneurship means:

(1) private entrepreneur;

(2) shareholder of a commercial organization, save for cases when the shares of the shareholder of a commercial organization has been completely handed over to entrusted management;

(3) holding a post in a commercial organization, being a trust manager of the property of a commercial organization or in any other way being involved in the performance of representative, administrative or managerial functions of a commercial organization.

3. Within the meaning of this Law, entrepreneurship does not include:

(1) being a limited partner in a limited partnership;

(2) being a depositor in a credit or savings union;

(3) receiving part or the value of the property in case of leaving a commercial organization or its dissolution;

(4) having a deposit in a bank or insurance in an insurance company;

(5) having securities issued by the Republic of Armenia, the community or the Central Bank of the Republic of Armenia;

(6) selling the property owned by him/her or leasing it against a certain amount or compensation;

(7) receiving loan interest or other compensation;

(8) receiving royalties on the use or the right to use a work of literature, art or scientific work, on the use or the right to use any copyright, licence, trademark, design or model, plan, secret formula or process, a programme for electronic computers and databases or industrial, commercial or scientific equipment, or for the provision of information on an industrial, technological, organizational, commercial, and scientific experience or being included in the composition of the Board of Directors (observer board) of the commercial organisation with 75 percent and more participation of the Republic of Armenia, where it directly relates to the implementation by public servants or high-ranking officials of the policy in the field of their competence without remuneration or otherwise receiving compensation or the right to enjoy social guarantees or other services or privileges provided for non-public servants or high-ranking officials;

(9) receiving an award for the damages (loss) incurred.

4. Within the meaning of this Law, creative work is the creation and interpretation of culture and art, fiction, folk and craft, epic works, ethical and aesthetical ideals, rules and manners of conduct, languages, dialects and proverbs, national traditions and customs, historical and geographic names, results and methods of scientific research, objects of cultural heritage.

5. Within the meaning of this Law, scientific research is engaging in scientific research, experimental-construction, academic, experimental-technological, and intelligence activities in a scientific organization, institution, higher education establishment or otherwise.

6. Within the meaning of this Law, pedagogical work implies work as a teacher, lecturer (docent, professor) or doing other work that contributes and (or) ensures the process of meeting the requirements of learning of general education programmes (main, supplementary) and the thematic criteria, as well as obtaining the relevant knowledge, skills, and capacity by means of application of teaching methods.

7. Duties of public servants and high-ranking officials shall prevail over a scientific, pedagogical, creative work performed by them or other work activities not prohibited by law.

8. Remuneration for scientific, pedagogical and creative work of public servants or high-ranking officials may not exceed reasonable size, that is the size, which may be claimed by a person who has similar qualities for the same activity, but is not a public servant or a high-ranking official.

Responsible body

According to article 23 of the law of the Republic of Armenia on Commission for the prevention of corruption (Adopted on 9 June 2017) one of the functions of the Commission is following observance of regulations for ad-hoc conflict of interests for high-ranking officials. The Commission examines and settles applications on the cases of violations of ad-hoc conflict of interests by high-ranking officials.

Besides, the new draft law on Public service has been developed and approved by the Government on January 18 2017. According to this draft ethics commissions established according to the laws on public and municipal services are following observance of the requirements of integrity system (including conflict of interest regulations) (Draft law, Article 41, section 4). According to article 42 ethics commissions of public servants examine and settle applications on the cases of ad-hoc conflict of interests by public servants.

According the draft law, persons, who shall follow conflict of interests regulations, while appearing in a situation causing conflict of interests, shall inform their supervisor (persons not having supervisors shall apply to Commission for Prevention of Corruption) about the circumstances causing conflict of interests.

At the same time, according to the draft law on Public Service, special post for integrity manager shall be foreseen in the HRM units of all state and municipal bodies. Among other integrity related functions, the integrity officer shall provide suggestions to the servants on conflict of interest issues, collects statistics on conflict of interest issues.

Asset disclosure

RA Law on Public Service provides the list of public officials who shall annually declare their assets and income. Article 32 of RA Law on Public Service states:

“Within the meaning of this Law, declarant officials shall be the high-ranking officials, as well as persons holding highest positions of the civil service but not acting as high-ranking officials, persons holding highest positions of the state service in Staff of the National Assembly of the Republic of Armenia, the Secretary General of the Ministry of Foreign Affairs of the Republic of Armenia and the head of a separate subdivision of Staff, persons holding highest positions in the Special Investigation Service of the Republic of Armenia, the Investigation Committee of the Republic of Armenia, state service of the Department of the Investigation Committee of the Republic of Armenia, the Chief of Staff of the Special Investigation Service of the Republic of Armenia and the deputy Chief of Staff, the heads and deputy heads of the state bodies operating in the field of management of the ministries of the Republic of Armenia, persons holding highest positions in the judicial service, persons holding highest and chief positions in special services, except for persons holding chief positions in the republican executive bodies of defence, national security and rescue services, persons holding chief positions in the Penitentiary Service and the Judicial Acts Compulsory Enforcement Service, prosecutors, investigators of national security authorities, tax and customs services, the Investigation Committee and the Special Investigation Service, heads of communities with a population of 15 000 and more, heads of the administrative districts of Yerevan, members of the Procurement Appeals Board.

2. A declarant official shall submit declarations on property and income to the Commission on Ethics of High-Ranking Officials as prescribed by this Law, and a high-ranking official – also a declaration on interests.

3. Declarant officials shall, in cases and in the manner provided for by this Law, submit a declaration on affiliated persons to the Commission on Ethics of High-Ranking Officials.

4. Within the meaning of this Law, persons within the composition of the family of a declarant official – his or her spouse, minor child (also the adopted child), the person under the guardianship or curatorship of the declarant official, any person jointly residing with the declarant official, shall, in cases and in the manner provided for by this Law for a declarant official, submit their declarations on property and income to the Commission on Ethics of High-Ranking Officials. The declaration of a minor child shall be submitted by the declarant official.

5. Within the meaning of this Law, a jointly residing person shall mean the person jointly residing with the declarant for 183 days and more before the day of assuming or leaving the position or during the year of submitting the declaration.

6. Failure by a declarant official, as well as a person within the composition of his or her family to submit declarations to the Commission on Ethics of High-Ranking Officials in compliance with the requirements, manner and time limits prescribed by the Commission on Ethics of High-Ranking Officials shall entail liability provided for by law.

7. The declarant official and a person within the composition of his or her family shall, by virtue of the fact of submitting the declaration, give their consent to the Commission on Ethics of High-Ranking Officials to become familiar with their credit history and information on the securities, including transactions made thereby over the reporting period.”. At the same time, high-ranking public officials are the President of the Republic; the Prime Minister; deputies of the National Assembly; members of the Constitutional Court; judges, ministers and their deputies; Chief of General Staff of Armed Forces of the Republic of Armenia and the deputies thereof, general prosecutor and his/her deputies; prosecutors of marzes, the city of Yerevan and garrisons; chiefs, deputy chiefs of the state bodies (commissions, councils) established by law and members of these commissions, councils; the chairperson of the Central Bank, his/her deputy and members of the board of the Central Bank; chiefs and deputy chiefs of public administration bodies under the Government; Head of the State Protection Service of the National Security Service adjunct to the Government of the Republic of Armenia and the deputies thereof, head of Penitentiary Service of the Ministry of Justice of the Republic of Armenia and the deputies thereof, Director of the Rescue Service of the Ministry of Emergency Situations of the Republic of Armenia and the deputies thereof, Chief Compulsory Enforcement Officer of the Ministry of Justice of Republic of Armenia and the deputies thereof, the chairperson and members of the Control Chamber; chief of staff of the National Assembly and his/her deputies; chief of staff of the Constitutional Court; members of the ethics commission for high-ranking public officials; the Mayor of Yerevan and his/her deputies; chiefs of diplomatic services operating in foreign states; ambassador-at-large, the secretary of the National Security Council; advisors and assistants of the President of the Republic; Chief Military Inspector and the deputies thereof, ambassador-at-large, press secretary and assistants, advisors and assistants of the Chairperson of the National Assembly; advisors and assistants of the Prime Minister; chiefs of communities with a population number of 50 000 and more as of 1 January of the previous year; as well as the chief of the Control Service of the President of the Republic and the chief of the Control Service of the Prime Minister.

Responsible body

According to RA Law on Public Service, the Ethics Commission for High Ranking Officials is responsible body for collecting, verifying and publishing Asset and Income Declarations. However, when RA Law on Commission for Prevention of Corruption enters into force, those powers will be transferred to that body. The declarations are being publish on its website: <http://ethics.am/en/>

Liability

The system of sanctions for the violation of interest or asset declaration legislation was implemented last year and respective provisions have come into force on July 1, 2017. The main first flow of declarations to be submitted upon the enactment of sanction system is expected after the March 31 of 2018, which is the deadline for asset declaration submission for declarants including political official declarants.

Sanctions for violating asset and interest disclosure requirements are envisaged in below listed Articles:

RA Code on Administrative Offences

“Article 169.28 Failure to submit declarations to the Commission on Ethics of High-Ranking Officials within the prescribed time limits, or submission thereof in violation of the requirements set for filling in declarations or the procedure for the submission of the declarations, or submission of incorrect or incomplete data in the declarations negligently

Failure by a declarant official, as well as a person within the composition of his or her family (hereinafter referred to in this Article as “the declarants”) to submit the declarations provided for by the Law of the Republic of Armenia “On public service” (hereinafter referred to in this Article as “the declarations”) to the Commission on Ethics of High-Ranking Officials within the time limits prescribed by the Law of the Republic of Armenia “On public service”: – shall entail a warning.

Failure by a declarant to submit the declaration within 30 days following the application of the administrative penalty provided for by part 1 of this Article: – shall entail imposition of a fine in the amount of two hundred-fold of the set minimum salary.

Submission of the declaration to the Commission on Ethics of High-Ranking Officials by a declarant in violation of the requirements set for filling in the declarations or the procedure for the submission thereof: – shall entail a warning.

Failure by a declarant to submit the declaration in compliance with the requirements set for filling in the declarations or the procedure for the submission thereof within 30 days following the application of the administrative penalty provided for by part 3 of this Article: – shall entail imposition of a fine in the amount of two hundred-fold of the set minimum salary.

Submission of incorrect or incomplete data in the declarations negligently by a declarant: – shall entail imposition of a fine in the amount of two-hundred-fold to four-hundred-fold of the set minimum salary.”.

RA Criminal Code

“Article 314.2. Intentional failure to submit declarations to the Commission on Ethics of High-Ranking Officials

Intentional failure to submit declarations provided for by the Law of the Republic of Armenia “On public service” by the declarant official, as well as a person within the composition of his or her family, within 30 days after imposition of an administrative penalty prescribed by parts 2 or 4 of Article 169.26 of the Code of the Republic of Armenia on Administrative Offences –

shall be punished by a fine in the amount of one-thousand-five-hundred-fold to two-thousand-fold of the minimum salary or by imprisonment for a term of maximum two years with or without deprivation of the right to hold certain positions or to engage in certain activities for a term of maximum three years”.

“Article 314.3. Submitting false data in declarations or concealing the data subject to declaration

Submitting false data in declarations provided for by the Law of the Republic of Armenia “On public service” or concealing the data subject to declaration by a declarant official, as well as persons within the composition of his or her family –

shall be punished by a fine in the amount of two-thousand-fold to three-thousand-fold of the minimum salary or by imprisonment for a term of maximum two years with or without deprivation of the right to hold certain positions or to engage in certain activities for a term of maximum three years.

The same act that has resulted in the failure to declare property or income of particularly large scale –

shall be punished by imprisonment for a term of two to four years with or without deprivation of the right to hold certain positions or to engage in certain activities for a term of maximum three years”.

Training sessions

Training programs envisaged by the Anti-corruption Strategy and Action Plan

Order on organizing training for anti-corruption focal points of the state bodies has been adopted by the order of the Minister of the Justice on 9 August, 2017. The Funds for the implementation of the program are allocated from the State budget. The training was conducted in September 2017, and as a result approximately 40 participants have been trained. The abovementioned program was aimed to strengthen the anti-corruption capacities of the focal points. These trainings will have continuous character. For that reason the anti-corruption training program for 2018 was approved by the order N 11-A of the Minister of the Justice, on 22 January, 2018. According to the Order N13 of 22.01.2018 of RA Minister of Justice, in 2018 trainings for 50 anti-corruption focal points of state executive bodies shall be organized. The funding of the trainings will be provided by RA state budget (RA Law on State Budget for 2018, appendix 1, part 09, group 05, class 02, point 12). Each focal point shall participate in 60 academic hour-long training.

The above mentioned training includes special parts on integrity of public servants and, particularly, conflict of interests, asset disclosure.

Training programs organized by Civil Service Council

At the same time, Civil Service Council organized

- a) 23 trainings for civil servants in 2015-2017,
- b) trainings have been conducted both on a regular basis and as needed,
- c) the trainings were conducted by the National Institute of Labor and Social Research, “The Union of Armstate Servants” and “The freedom of information center” NGO and within the framework of the World Bank's “Public Sector Modernization Project”,
- d) The duration of the training programs was 6, 14, 24, 28 and 72 hours,
- e) 466 Civil Servants, having the supreme, chief, leading and junior positions, trained under the mentioned programs in 2015-2017;
- f) trainings have been funded from the state budget and other means not prohibited by law.

Training programs organized by Public Administration Academy of the Republic of Armenia

In 2015, Public Administration Academy of the Republic of Armenia held training courses for civil servants, which includes ethics, conflict of interest and anti-corruption component.

In 2015, training for 685 civil servants was carried out (supreme and chief positions – 385, leading and junior posts – 300) covering the following topics.

1. "Financial management" course

Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

2. "Organizational psychology" course

Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

3. "Public relations (PR) in the system of management" course

Ethical and legal grounds of PR (2 hours) and Ethics and Etiquette (4 hours)

4. "Managerial and personal skills development" course Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

5. "Effective management technologies" course

Professional and moral ethics of the public servant. Etiquette (4 hours)

In 2016, Public Administration Academy of the Republic of Armenia held training courses for civil servants, which includes ethics and anti-corruption component.

In 2016, training for 574 civil servants was carried out (senior and principal positions – 343, leading and junior posts – 231) covering the following topics.

1. "Financial management" course

Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

2. "Organizational psychology" course

Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

3. "Public relations (PR) in the system of management" course

Ethical and legal grounds of PR (2 hours) and Ethics and Etiquette (4 hours)

4. "Managerial and personal skills development" course Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

5. "Effective management technologies" course

Professional and moral ethics of the public servant. Etiquette (4 hours)

In 2017, Public Administration Academy of the Republic of Armenia held training courses for civil servants, which includes ethics and anti-corruption component.

In 2017, training for 590 civil servants was carried out (senior and principal positions – 360, leading and junior posts – 230) covering the following topics.

1. "Financial management" course

Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

2. "Organizational psychology" course

Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

3. "Public relations (PR) in the system of management" course

Ethical and legal grounds of PR (2 hours) and Ethics and Etiquette (4 hours)

4. "Managerial and personal skills development" course Professional and moral ethics of the public servant. Etiquette (4 hours) and corruption and mechanisms for combating corruption (4 hours)

5. "Effective management technologies" course

Professional and moral ethics of the public servant. Etiquette (4 hours)