

Varuzhan Avetikyan

Former director of the Insurance Foundation of Servicemen



**Yerevan 2021
Report by Veles NGO**

Biography:

1998 - 2000 Leading specialist of the Legislation Development Department of the Legal Department of the Central Bank of the Republic of Armenia

2000 - Lecturer in Business, Finance and Credit Law at the French University in Armenia

2000– 2003 Head of the Legislation Development Division of the Legal Department of the Central Bank of the Republic of Armenia

2003-2006 Head of the legal team of the Armenian-European Center for Economic Policy and Legal Advice

2006 - 2018 Head of the Legal Department of the Central Bank of the Republic of Armenia

2018 Managing partner of "TK AND PARTNERS" CJSC

2017-2021 director of the Insurance Foundation of Servicemen

Varuzhan Avetikyan, the former director of the Soldiers' Insurance Foundation, is the son of Hakob Avetikyan, the editor of the AZG daily. During the regime he headed the legal department of the Central Bank and was a great help to those who tried to extort millions of dollars from the budget of the Republic of Armenia. More details are available below. Varuzhan Avetikyan, being the head of the Central Legal Department of the Central Bank (CB), authored Clarification No. 8, which changed the imperative prohibition of Banks law on banking activities, allowed large shareholders of banks to get rid of small shareholders of banks in gross violation of the law. As a result, the deprivation of small shareholders of banks with the permission of the Central Bank leads to the fact that the banking sector in Armenia has not been established for about ten years. Moreover, as a result of Varuzhan Avetikyan's explanation between small and large shareholders, the ECHR has already communicated a dispute to the Armenian government.

In particular, the Armenian Ameriabank, owned by pro-Kremlin financier Ruben Vardanyan, decided in 2012 to get rid of small shareholders, including especially Artashes Hovhannisyan, as the latter was the largest of the small shareholders. To this end, the Bank decides to consolidate its shares, to do so in such a way that the shares of small shareholders become partial, the Bank must buy them back from small shareholders. In carrying out the above, the Bank, encountering the prohibition defined by Article 37 of the RA Law on Banks and Banking Activities, tries to bypass that prohibition in cooperation with the Central Bank of the Republic of Armenia. The mentioned norm forbids the Bank to buy back shares, as well as to consolidate such shares, which will cause the repurchase of shares. For this purpose, the Bank applies to the Central Bank of Armenia for clarification on the mentioned prohibition. As a result of the illegal cooperation of the head of the Legal Department of the Central Bank Varuzhan Avetikyan with the management of the Bank the Board of the Central Bank of the Republic of Armenia gives the official explanation No. 8, which, among other things, referring to the corporate relations legislation of the US state of Delaware in fact removes the above-mentioned prohibition established by law. Artashes Hovhannisyan applies both to the Court of General Jurisdiction of the city of Yerevan and the RA Administrative Court on this item.

Artashes Hovhannisyan's claims were rejected in the RA courts of general jurisdiction due to the illegal actions and pressure taken by the Central Bank.

But in the meantime the RA Administrative Court satisfies Artashes Hovhannisyan's demand which was illegally rejected by the superior courts in the future. The proof of the decision being

illegal is that when making a decision by the RA Court of Cassation four judges of the Cassation Court give a special opinion in favor of Artashes Hovhannisyan.

After losing in Armenian courts Artashes Hovhannisyan applied to the European Court of Human Rights.

Recently, the European Court accepted Artashes Hovhannisyan's application, which means that soon we will have another decision of the European Court against Armenia, which will pay large sums of taxes paid by the citizens of Armenia due to the illegal clarification given as a result of Varuzhan Avetikyan's "activity".

Moreover, Varuzhan Avetikyan, being the director of the Soldiers' Insurance Foundation , provided legal services to persons acting in international investment arbitration against Armenia. Taking into account that the Fund has a quasi-state status, as by the force of law the working citizens of the Republic of Armenia transfer mandatory payments to it, it can be stated that Mr. Avetikyan, on the one hand performing quasi-state official functions, is collecting and spending mandatory social assistance payments. On the other hand, it has carried out activities against the interests of the Republic of Armenia, which, at least in terms of advocacy ethics & conflict of interests, has caused serious concerns in advocacy and expert circles.

Servicemen Insurance Foundation

In 2012 a person of unknown origin, Joe Borkowski, his Dubai-based Rassia FZE company, with the support of the infamous Mikael Minasyan (Serzh Sargsyan's son in law) signed the Southern Highway Concession Agreement with the Government of Armenia. Under this agreement, without any tender, a private person acquires the monopoly rights to manage and build a highway, a railway connecting Armenia with Iran in the Syunik region, which is of strategic importance for Armenia.

Borkovsky, appreciating the unorganized behavior of the government, decided to try to empty the state treasury. He puts a lot of effort into this case in the person of "Queen Emanuel" international authoritative law firm. As we have founded out earlier, in August 2018, Borkovsky and his company filed a lawsuit against the Republic of Armenia in the International Investment Arbitration Court. Borkovsky and his company demand about \$ 300,000,000 from the budget of Armenia. The latter claim that Armenia has violated their Concession Agreement. For comparison, it should be noted that at the moment, with the efforts of all Armenians, the All-Armenian Fund has raised only about \$ 170,592,000. What connects Varuzhan Avetikyan with all this situation ?

It turns out that the Concession Agreement is governed by Armenian law and Borkovsky's local, Armenian lawyer is Varuzhan Avetikyan, who is actually helping, prompting Mr. Borkovsky on how the latter can manage to confiscate about \$ 300,000,000 from the Armenian budget.

In other words with his right hand the head of of the Soldiers' Insurance Foundation Varuzhan Avetikyan is busy writing patriotic statuses, presenting himself as a person who wants to "shout, scold, cry or at least change his profile picture and put 4750", whose "purpose in life" is "« to find 1 million Armenians who will transfer at least 25,000 drams, \$ 50 or euros a month to the Soldiers' Insurance Fund, ”and with his left hand he helps a foreign adventurer reduce Armenia's budget by about \$ 300,000,000. It can always be said that a person does his job, advocacy, it is a professional activity. Those who demand about \$ 300,000,000 from the budget of Armenia, that is, from the pockets of our children, soldiers and their parents, our army, the disabled pensioner, are helped by no more than the director of the Soldiers' Insurance Fund, who shouts left and right The goal is to raise money for charitable projects.