



A sequestration on bank accounts of legal entities will be imposed only in accordance with the disputed amounts

During meetings with entrepreneurs and discussions on disputable issues the procedure of imposing a sequestration on bank accounts of legal entities by Judicial Acts Enforcement Service employees was introduced to the SME Development Council Secretariat, and the steps towards its simplification were considered to be vital especially for the unimpeded activities of SMEs. The issue has been resolved in favour of businesspeople by adoption of a revised procedure on sequestration application. The settlement of this issue was significant, as previously the amount available in the bank accounts of legal entities was entirely sequestered by Judicial Acts Enforcement Service employees, without considering the disputed amount itself. That approach caused an interruption in the activities of entrepreneurs, causing obligatory expenses, excessive bureaucracy and creating favourable conditions for corruption risks.

Due to the joint efforts of the Secretariat, the Ministry of Justice and the Ministry of Economy of the Republic of Armenia an instruction on the general principles of sequestration of amounts on bank accounts was developed and implemented for Judicial Acts Enforcement Service employees. It was defined that the sequestration of amounts shall only be applied in accordance with the disputed amount and the part of it exceeding the obligation shall be at the entrepreneur's free disposal. Hereinafter, the decision on sequestration must be referred to the amount subject to sequestration, otherwise, the decision is not subject to enforcement.

The abovementioned reform gives the entrepreneurs an opportunity to continue their regular business activities in the course of dispute settlement processes.