



## Legal updates

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## Law on restrictions on use of tobacco products

The new Law of the Republic of Azerbaijan “On restrictions on use of tobacco products” (“Law”) has been approved by the President of the Republic of Azerbaijan.

By virtue of the Law, individuals and legal entities while selling tobacco products are not allowed to encourage the tobacco users by means of distributing free products or free samples, offering tobacco products as a lottery, competition, sports competitions, awards for games, etc.

The Law also prohibits all forms of advertising or promotion of tobacco products, as well as through sponsorship of tobacco products.

Smoking in public areas, buildings and facilities such as educational, health and sport centers and institutions, including their areas, public-catering facilities, including restaurants, cafes, bars, trade facilities, cinemas, theaters, elevators, workplaces, etc. has been banned by the Law. The breach of this rule is subject to the administrative penalty of AZN 30 according to Article 212.1 of the Code of the Republic of Azerbaijan on Administrative Offences (“Code”).

The Law requires all enterprises, institutions and organizations to ensure that boards with signs or marks “smoking is prohibited” are placed in the areas mentioned above. Failure to comply with this requirement is subject to the administrative penalty of AZN 400 for officials and AZN 1,000 for legal entities pursuant to Article 212.2 of the Code.

Additionally, special areas for smoking, either open or closed with special ventilation systems can be arranged. Rules on arranging such special smoking areas and the legislative requirements on them shall be further developed and adopted by the Cabinet of Ministers of the Republic of Azerbaijan within the three months period.

## **Unemployment allowance has been annulled**

According to the Decree #608 of the Cabinet of Ministers of the Republic of Azerbaijan, the Rules approved by the Cabinet of Ministers of the Republic of Azerbaijan "On calculation and payment of unemployment allowance" have been annulled as a result of implementation of the Law of the Republic of Azerbaijan "On unemployment insurance", which has been effective since 01 January 2018.



## **Agency on development of small and medium entrepreneurship has been established**

By virtue of the Decree of the President of the Republic of Azerbaijan dated 28 December 2017, the Agency On Development of Small and Medium Entrepreneurship ("Agency") has been established as a public legal entity under the Ministry of Economy of the Republic of Azerbaijan. The Agency is aimed at supporting the development of small and medium entrepreneurship in the country and shall carry out a range of services to SME subjects, coordinate and regulate the services of state authorities in this area.

"Small and Medium Entrepreneurship Houses" shall be established within the Agency, which shall offer small and medium-sized businesses a range of services, such as training, consulting, information, business incubator, innovation center, financial services, etc. in the country's major cities and regions. The activities of such houses will be carried out through ASAN service centers and the departments of the Ministry of Economy of the Republic of Azerbaijan in the regions where ASAN service centers are not present.

## **Minimum monthly salary has increased**

By virtue of the Decree of the President of the Republic of Azerbaijan, the minimum monthly salary in Azerbaijan has been defined as AZN 130 as of 01 January 2018.

## **Living minimum has increased**



In accordance with the Law of the Republic of Azerbaijan "On living minimum in the Republic of Azerbaijan" adopted on 01 December 2017, the living minimum in Azerbaijan has been defined as AZN 173 for the country, AZN 183 for the employable part of the population, AZN 144 for pensioners and AZN 154 for children for 2018.

## **Mortgage and Credit Guarantee Fund has been established**

The President of the Republic of Azerbaijan has signed the Decree "On a number of measures related to the establishment and functioning of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan ("Fund")", according to which the Fund has been established as a result of merging of Azerbaijan Mortgage Fund and Credit Guarantee Fund Open Joint Stock Companies. The Fund has been established in the form of a non-commercial legal entity as a legal successor of those joint stock companies.

The Fund is responsible for establishing a mechanism for providing long-term mortgage lending to the population in the Republic of Azerbaijan with respect to living areas, providing assistance in attracting local and foreign financial resources to mortgage lending, granting guarantees to entrepreneurs for their loans in Manat from authorized banks as well as subsidizing the part of the interest accrued on those loans in cases and order determined by the President of the Republic of Azerbaijan.

## **The form of quarterly reports on unemployment insurance has been approved**

The Ministry of Labour and Social Protection of Population of the Republic of Azerbaijan approved the form of the quarterly reports on unemployment insurance on 20 December 2017.

Please follow the below link to find the form of the report:

<http://e-qanun.az/framework/37452>

## **Several Rules on Unemployment Insurance have been adopted**

On 29 December 2017, the Cabinet of Ministers of the Republic of Azerbaijan adopted several decrees approving rules related to implementation of unemployment insurance. The Rules are effective from 01 January 2018 and comprise the following:

1. The Rules "On issuance of insurance payments";
2. The Rules "On registration of the unemployment insurance funds and reporting procedure". These Rules define the procedure for payment of unemployment insurance funds, registration of these funds and reporting. According to the Rules, the State Social Protection Fund under the Ministry of Labour and Social Protection of Population has been defined as a supervisory state authority in this field.
3. The Rules "On financing of the salaries of the insureds";

The Rules "On registration of the employers and the insureds for the unemployment insurance purposes within the insurer".



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