



Legal updates

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Law On Insolvency and Bankruptcy has been amended

The Law of the Republic of Azerbaijan "On Insolvency and Bankruptcy" (the "Law") was amended by the Decree of the President of the Republic of Azerbaijan, dated 29 April 2019.

According to the Law, the grounds for debtor's insolvency determined by court or creditors have been amended. A debtor will be considered insolvent by the court or the creditor in the following cases:

- incomplete execution of its obligations vis-à-vis creditors in the course of consecutive 2 (two) months from the due date of the execution and in respect of the reimbursement of damages caused to the life or health, alimony, the obligations arising out of labor and related relationships and the payments under copyright agreements;
- incomplete execution of taxes (interest and applied financial sanctions) and other state payments within consecutive 10 (ten) months from the date of their calculation; and

- nonexecution of its obligations vis-à-vis creditors in the specified period.

Other necessary changes to the Law shall include the following:

- duration for debtor to prepare the rehabilitation plan has been determined 2 (two) months;
- period for review of petitions filed with the court in connection with the termination or alteration of the property administrator's decision on approval of settlement agreement with creditors, as well as rejection of creditors' claims and complaints has been determined as 10 (ten) days.

Law On Telecommunications has been amended

Amendment to the Law of the Republic of Azerbaijan "On Telecommunications" (the "Law") has been entered into force by the Decree of the President of the Republic of Azerbaijan, dated 29 March 2019.

According to the amendment to the Law, an operator or provider has been obligated to take measures by using technical means, equipment or software to prevent illegal international telecommunication services conducted by joining the telecommunications network.

Code of Administrative Offenses has been amended

On 29 April 2019, the Law of the Republic of Azerbaijan "On Amendment to the Code of Administrative Offenses of the Republic of Azerbaijan" (the "Law") came into force by the Decree of the President of the Republic of Azerbaijan.

According to the Law, organization of illegal international telecommunication services by establishing the telecommunication operator's or provider's telecommunications network through a relevant device has been identified as an administrative offence. Along with confiscation of equipment and means used to commit such an administrative offense, monetary penalties have been introduced for the said violation.

Moreover, monetary penalties shall apply in case of failure by the telecommunications operator or provider to prevent by means of technical facilities, equipment or software, the use of illegal international telecommunication services conducted by joining the telecommunications network through an appropriate device.

Regulation on Single Internet Portal for Public Procurement has been approved

On 16 April 2019, the Regulation on Single portal for Public Procurement has been approved by the Decree of the President of the Republic of Azerbaijan.

The portal provides users with the opportunity to publish a tender announcement, submit relevant documents to the supplier (contractor), pay the participation fee, register the supplier as a bidder, create electronic data room, exchange information and documents between the buyer and the supplier, submit tender proposals and provide security, conduct virtual meetings of the tender commission, arrange the electronic signing of procurement contracts, place the relevant contract and other documents based on tender results, file complaints and obtain decisions on their results, submit invoices to the procuring company and etc.

The State Agency for Antimonopoly Policy and Supervision of the Consumer Market of the Republic of Azerbaijan (the "Agency") is responsible for the management, organization of activity and development of the portal.

With the help of the electronic services module, the suppliers will be able to be registered as applicants and send the relevant documents to the buyer. It will also be possible to maintain a single registry of procurement contracts.

In addition to the above, the Agency together with the State Agency for Public Service and Social Innovations under the President of the Republic of Azerbaijan will take the necessary measures to integrate the portal into the "Electronic Government" Information System.

Decree on Establishment of Appeal Councils in State-Owned Legal Entities has been signed

On 6 May 2019, the President of the Republic of Azerbaijan signed the Decree "On Establishment of Appeal Councils in State-Owned Legal Entities" (the "Decree").

According to the Decree, the Appeal Councils will be established in the state-owned legal entities such as joint-stock companies, limited liability companies and any commercial legal entities in other organizational-legal forms whose 51% or more of the stakes are directly or indirectly owned by the state, as well as non-commercial legal entities and public legal entities established by the State.

It should be noted that "legal entities" under the Decree do not include the legal entities subordinated to the legal entities themselves owned by the State or by the central and local executive authorities.

State Program On Food Safety in Azerbaijan for 2019-2025 has been approved

The State Program in the field of food safety for 2019-2025 has been approved on the basis of Article 5.5 of the Decree no. 1235 of the President of the Republic of Azerbaijan On "Additional measures for improvement of the food safety system in the Republic of Azerbaijan" dated 10 February 2017.

Core targets of the State Program have been determined as follows:

- adaptation of norms and standards in the field of food safety with international requirements;
- improvement of the population's safe and quality food supply;
- increase of food safety and quality, increasing their competitiveness and export potential to foreign markets;
- compliance of the activity of food subjects with the requirements of the legislation on food safety in cooperation with entrepreneurs;
- animal and plant health in accordance with the international best practice.

It's planned to carry out the priority activities by the working groups to be established by the relevant state authority in order to achieve the successful implementation of the State Program. The activities should include the following:

- optimizing existing laboratories in the area of food safety, creating new laboratories that meet modern requirements and providing logistics;
- establishing a food safety training center;

- creation of subjects and objects of the food sector acting in all stages of the food chain, as well as production of food products and database of trade flows;
- carrying out activities related to the electronic issuance of export certificates and implementation of measures for their recognition by importing countries.



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