



Legal updates

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The amount of minimum salary in the country has been increased

According to the Order of the President of the Republic of Azerbaijan dated 08 February 2019, the amount of minimum salary in the country has been determined as AZN 180 effective as of 01 March 2019.

Amendments to the Laws “On Regulation of inspections in the area of entrepreneurship and protection of interests of entrepreneurs” and “On suspension of inspections in the area of entrepreneurship” have been adopted

In accordance with the Amendments to the Laws of the Republic of Azerbaijan “On Regulation of inspections in the area of entrepreneurship and protection of interests of

entrepreneurs” and “On suspension of inspections in the area of entrepreneurship” adopted on 12 February 2019, inspections in the area of financial markets have been added to the list of inspections which are not suspended and can be carried out by appropriate state authorities.

It should also be mentioned that in accordance with the changes made to the above mentioned Laws on 28 December 2018, customs inspections have also been added to the list of inspections which are not suspended and can be carried out by appropriate state authorities.

Action Plan for 2019-2020 on reduction of negative impact of plastic wastes to the environment has been approved

According to the Order of the President of the Republic of Azerbaijan dated 07 February 2019, “Action Plan for 2019-2020 on reduction of negative impact of plastic wastes to the environment” (the “Action Plan”) has been approved. The Action Plan has been prepared in accordance with the Strategic Road Map on the Production and Processing of Agricultural Products in the Republic of Azerbaijan.

The main aim of the measures under the Action Plan has been defined as reduction of pollution of plants, animals, land and water resources created by mass use of plastic products. The Action Plan identifies two strategic targets for achieving this: efficient management of plastic waste and reduction of the rate of plastic waste creation.

Law “On State Registration and State Registry of Legal Entities” has been amended

New amendments have been made to the Law “On State Registration and State Registry of Legal Entities” (the “Law”) since 05 February 2019. According to the new amendments, new Article 9-1 on “Electronic registration of changes in constituent documents and subsequent change of the registered facts of a limited liability company” has been added to the Law.

According to the new Article, any changes in constituent documents of a limited liability company (except for changes in case of reorganization), as well as subsequent change of the registered facts can be made through electronic application to the Ministry of Taxes of the Republic of Azerbaijan (the “Ministry of Taxes”). A necessary electronic application form can be found on the web page of the Ministry of Taxes and the scanned copies approving the changes shall be attached to the electronic application and approved with enhanced electronic signature.

The participant(s) and legal representative(s) of a limited liability company shall approve the application with respect to the change of the legal representative via enhanced electronic signature. In the event that the changes are made to the charter, the software will provide the draft amendment to the charter, and the participant(s) will be able to review and approve it via enhanced electronic signature.

The Ministry of Taxes shall register the changes within three days, as long as such changes comply with the Law. The Ministry of Taxes shall also provide the founders or

other authorized representative(s) of the limited liability company with the original copies of the extract from the commercial registry and amended documents and send their electronic copies to the electronic cabinet of the limited liability company.

The electronic registration is also applicable for changes (excluding change of founder) in the constituent documents of a limited liability company with foreign investment having foreign or stateless person as a founder.

It should be added that by virtue of the amendments made to the Law on 28 December 2018, the concept of electronic cabinet has been introduced. Electronic Cabinet is a personal electronic page, which is accessed by an electronic signature or password issued by the Ministry of Taxes aimed at mutual exchange of information and documents for the purposes of the Law.

The Law provides for some changes in the registration of limited liability companies with local investment. Thus, in order to carry out e-government registration of a limited liability company with local investment, an electronic application form is filled in with the appropriate authentication in the internet information resource. If the founder(s) and the legal representative(s) are not same persons during e-registration, the application should be confirmed by enhanced electronic signature of both the founder(s) and the legal representative(s). During e-registration, the necessity to approve the charter by enhanced electronic signature of the founder has been abolished.

A limited liability company with local investment having undergone e-registration must further send to the Ministry of Taxes information on initiation of its business activity signed by its legal representative(s) through enhanced electronic signature within two working days upon the state registration.

In addition to the above, under the Law, the mobile operators must respond on an online basis the request of the Ministry of Taxes for the purposes of identification of the mobile number during the state registration of a limited liability company with local investment.

New powers have been granted to the Financial Monitoring Service of the Republic of Azerbaijan

A number of new powers have been granted to the Financial Monitoring Service of the Republic of Azerbaijan (the "FMS") under the Decree of the President of the Republic of Azerbaijan dated 04 February 2019 (the "Decree"). Thus, according to the Decree, improving the supervisory system in connection with the prevention of legalization of the criminally obtained funds or other property and financing of terrorism has been dismissed from the authorities of the Financial Market Supervisory Authority of the Republic of Azerbaijan (the "FIMSA").

Accordingly, in consideration of the provisions of the Law of the Republic of Azerbaijan "On Cashless Settlements", the FMS shall examine the proceeds of the funds withdrawn from banks in light of the Law of the Republic of Azerbaijan "On Combating the Legalization of Criminally Obtained Funds or Other Property and Financing of Terrorism" and provide for the measures envisaged by the legislation.

Moreover, under the Decree the amendments have been made to the "List of Officials Who Have the Right to Consider Cases on Administrative Offenses". Thus, the supervision over the administrative offenses contained in Article 598 of the Code of Administrative Offenses of the Republic of Azerbaijan (in relation to pawnshops and

persons providing brokerage services with regard to real estate) shall be exercised by the Chairman of the Management Board and his/her deputies on behalf of the FMS.



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