



Legal updates

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Adoption of the rules on obtaining information with respect to founders (shareholders), their shares in the charter capital of commercial legal entities and owners of securities



On 10 October 2018, the Cabinet of Ministers of the Republic of Azerbaijan approved the Rules “On providing information to the monitoring participants and other persons participating in monitoring with respect to founders (shareholders) of commercial legal entities, their shares in the charter capital and owners of securities” (“Rules”).

With reference to the Law of the Republic of Azerbaijan “On Prevention of the legalization of criminally obtained funds or other property and the finance of terrorism” dated 10 February 2009 (“Law”), monitoring participants include:

- Credit institutions;

- Insurers, reinsurers and insurance intermediaries;
- Investment companies;
- Legal entities providing leasing services;
- Entities and other organizations providing post services which are engaged in transfers of funds;
- Pawnshops;
- Investment funds and their managers;
- Non-governmental organizations, branches/representative offices of foreign non-governmental organizations in the Republic of Azerbaijan as well as religious organizations engaged in receipt, collection, delivery or transfer of the funds as an integral part of their activities;
- Persons that have obtained a license for currency exchange activities.

According to the Law, other persons participating in monitoring are comprised of:

- Physical persons or legal entities engaged in the purchase and sale of precious stones, precious metals, including jewelry and other household articles made of precious stones or precious metals;
- Physical or legal persons providing brokerage services on real estate purchase and sale;
- Lottery and sports betting games organizers;
- Lawyers, notaries, persons providing legal services as well as accounting and tax advisory, audit services.

By virtue of the Rules, monitoring participants as well as other persons participating in monitoring can now, based on a request and free of any charge, obtain information on founders (shareholders) of commercial legal entities as well as their respective shares in the charter capital, and on owners of securities while carrying out due diligence, enhanced and on-going due diligence measures in cases defined under the Rules as well as the Law, which include, inter alia, establishment of business relations, conducting transactions (single or series of related transactions) in the value of AZN 15,000 or above, etc.

The Ministry of Taxes of the Republic of Azerbaijan acts as an information holder with respect to founders (shareholders) of commercial legal entities and shares they own in the charter capital, while the National Depository Center acts as a holder of information on owners of securities.

In order to submit requests on obtaining the aforementioned information, the monitoring participants as well as other persons participating in monitoring shall register in the information system of the Ministry of Taxes and Financial Markets Supervisory Authority of the Republic of Azerbaijan through using an enhanced electronic signature.



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