



Legal news

Deloitte Legal – Considering future

The Mediation Process Rules have been approved

On 5 September 2019, the Cabinet of Ministers of the Republic of Azerbaijan approved the Mediation Process Rules (the "Rules") in accordance with the Law of the Republic of Azerbaijan "On Mediation" (the "Law").

According to the Law, mediation applies to civil cases and economic disputes (including those with a foreign element), as well as to the disputes arisen in the field of family, labor, and administrative law relationships. From 1 July 2020, it will be required to attend an initial mediation session before applying to the court in connection with the disputes arising in the field of economic disputes, as well as family and labor disputes.

Initial mediation session is conducted by a mediator or mediator organization, which is mutually agreed by the parties, and the failure to attend the initial mediation session for no good reason will result in liability prescribed by the Law.

The Rules define *parties* to mediation and *mediator* himself/herself. Thus, under the Rules, a mediator is an individual who meets the requirements of the Law, being attracted by the

parties or appointed by mediation organization to carry out mediation process professionally and on a fee basis.

The Rules outline the goals and stages of the mediation process. The party applying for mediation shall provide the mediation organization or mediator with brief information about the nature of the dispute, contact details of the parties to the dispute and, if applicable, the attorney or representative representing them.

After the commencement of mediation process, the parties determine the scope of controversial issues that need to be considered and agreed upon. The mediator, in his/her turn, allows each party to fully express their position on the issue without interference, and to express their views on the resolution of the dispute and the desired results.

It should also be noted that, the parties should submit their proposals on their positions and terms of dispute resolution in a written or oral form in order to resolve the dispute. If the parties achieve reconciliation as a result of mediation, the mediator may, at the request of the parties, assist in the preparation of the reconciliation agreement. The mediator determines the terms of the reconciliation agreement with the mutual consent of the parties and informs the parties.

The Rules also stipulate the termination of mediation process. Thus, in the event that reconciliation is reached during mediation process, such process is regarded as termination.

Mediators' Professional Ethics Rules have been approved

The "Mediators' Professional Ethics Rules" (the "Rules"), were adopted by the Cabinet of Ministers of the Republic of Azerbaijan on 5 September 2019, with an aim to determine ethical rules and principles for professionals engaged in the mediation process, as well as the relations regarding the observance thereof.

According to the principles set out in the Rules, mediators shall not allow actions (or omissions) that violate the rights and freedoms of people and citizens, violate their dignity and business reputation, shall apply the respective laws during the performance of their duties, always protect their dignity and avoid during their professional activities any acts that might undermine the authority of mediation.

Rules on Training and Professional Development of Mediators have been approved

Under the "Rules on Training and Professional Development of Mediators" adopted by the Cabinet of Ministers of the Republic of Azerbaijan on 5 September 2019 (the "Rules"), initial training and professional development of mediators are carried out by mediation training institutions on a fee basis. Thus, training on mediators' initial training and professional development can be conducted by a mediator who has conducted at least ten mediation cases within last two years, has relevant pedagogical experience in mediation, and has been certified by international mediation organizations. Mediator training programs include theoretical part (lectures), practical exercises, trainings and staged mediation games.

The Rules also set out the list of documents that individuals wishing to become mediators should submit to a mediation training institution for participation in the initial training.

Upon completion of mediators' initial training and professional development training, their theoretical knowledge is tested by interview methods and practical skills through the simulation of mediation within five working days. A three-member commission formed by the head of the training institution conducts the examine, and the decision is taken by a simple majority of the members of the commission.

Persons passing the exam successfully will be issued a certificate approved by the Board of Mediation.

Rules on Maintaining the Register of Mediation have been approved

On 5 September 2019, the Cabinet of Ministers of the Republic of Azerbaijan adopted a resolution on the approval of the "Rules for Maintaining the Register of Mediation" (the "Rules"). The purpose of this Rules is to determine the list of mediation organizations, mediators and mediation training institutions and ensure access to information about them. Mediators, mediation organizations and mediation training institutions are included in the register by the Board of Mediation within five working days of their membership in the Board of Mediation.

The above-mentioned decision also contains relevant information on mediators, mediation organizations and mediation training institutions to be included in the registry.

Rules on Formation and Use of Single Database of Large State-Owned Companies have been approved

On 4 September 2019, the Cabinet of Ministers of the Republic of Azerbaijan adopted a resolution on the approval of the "Rules on formation and use of single database for large state-owned companies".

"Single Database for Large State-owned Companies" information system (the "Information System") is designed to (i) increase transparency in the financial and economic activities of large state-owned companies, (ii) integrate financial, human resources and real estate data on large state-owned companies, and (iii) provide for users of the Information System real-time information on state-owned companies.

The State Committee for Property Affairs of the Republic of Azerbaijan (the "Committee") will carry out operator functions over the Information System, and the Information System services will be provided on the Committee's official website, as well as through the e-Government portal.



deloitte.az

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 312,000 professionals make an impact that matters, please connect with us on [Facebook](#), [LinkedIn](#), or [Twitter](#).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2019 For information, contact Deloitte Touche Tohmatsu Limited.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.