



Azerbaijan Legal News

Preparing for changing landscape

Amendments to the Code of Administrative Offences of the Republic of Azerbaijan

Amendments to the Administrative Code of the Republic of Azerbaijan dated 2 June 2016 provide for new penalties for violation of the rules on conclusion of deals with related persons.

As per the amendments, officials and legal entities, violating the rules on conclusion of deals with related persons to the bank and non-bank credit institutions, which inter alia includes failure to provide information on such deals in compliance with the legislative requirements, are respectively subject to penalties of 2,000-2,500 AZN and 15,000-20,000 AZN.

Officials and legal entities, violating the aforementioned rules with respect to joint stock companies are respectively subject to penalties of 1,000-1,500 AZN and 10,000 – 15,000 AZN.

Officials and legal entities, violating the aforementioned rules with regard to other legal entities, are respectively exposed to penalties of 500-1,000 AZN and 5,000-10,000 AZN.

Amendments to the Criminal Code of the Republic of Azerbaijan

Amendments to the Criminal Code of the Republic of Azerbaijan (“Amendment”) effective as of 1 June 2016 defines new and updated provisions, stricter and expanded penalties for certain crimes, predominantly concerning the economic sphere.

Thus, the Amendments stipulate increased penalties and new rules particularly concerning theft, property damage by a deceit or abuse, interference with the entrepreneurial activity, illegal obtaining of credit or its use in excess of the designated purpose, trade mark infringement, infringement of rules on emission of securities and other crimes in the economic sphere.

The Code provides for retroactive force of those amended provisions eliminating or softening the penalties for an individual currently or previously convicted or sentenced for committing a crime.

Presidential Decree “On Simplification of Issuance of Electronic Visas and Creation of ‘ASAN Visa’ System

Presidential Decree on “Simplification of Issuance of Electronic Visas and Creation of ‘ASAN Visa’ System” dated 1 June 2016 (“the Decree”) aims at establishing the electronic visa system, to ensure the efficiency and transparency via modern information technology.

Under the Decree, foreigners or stateless persons intending to visit Azerbaijan (“Applicants”) can now benefit from obtaining an electronic visa by merely using ‘ASAN Visa’ System.

The applicants may enter all necessary information required for obtaining an electronic visa directly to ‘ASAN Visa’ System. The state duty for electronic visas can be also paid via ‘ASAN Visa’ System.

An electronic visa will be issued within three working days and sent to the electronic address of an Applicant.

It must be emphasized that the electronic visa is issued for the Applicants of the countries approved by the Ministry of Foreign Affairs of the Republic of Azerbaijan.

Rules “On Implementation of ‘Green corridor’ and Other Border Crossing Systems in relation to Release of the Goods and Vehicles through the Customs Border”

In a move to boost the flexibility and transparency of the customs clearance process of goods and vehicles and its simplification, the Presidential Decree dated 21 May 2016 approved the Rules on “Implementation of ‘Green corridor’ and Other Border Crossing Systems in relation to Release of the Goods and Vehicles through the Customs Border” (“Rules”).

The Rules introduce four types of Border Crossing Systems (“Corridors”) (i.e. Green Corridor, Blue Corridor, Yellow Corridor and Red Corridor) and mainly concern the conditions and requirements for their implementation.

The Green Corridor is defined as a system, where the goods and vehicles are released to the customs territory without the conduct of physical inspection in compliance with the customs procedure.

The Blue Corridor is defined as a system, where the goods and vehicles released to the customs territory are subject to application of customs control forms.

The Yellow Corridor is defined as a system, requiring the application of customs control forms and presentation of supplementary documents (e.g. veterinary, phytosanitary, hygienic certificates, special permits and etc.) during the border crossing.

The Red Corridor is defined as a border crossing system, requiring undertaking of all mandatory inspections in relation to the goods and vehicles, as well as individuals, if necessary.

The type of a Corridor for every good and vehicle is defined in line with the electronically submitted brief declaration specified in the Rules.

In addition, the Rules outline the factors affecting risk criteria taken into account while classification of importers as high, medium or low risk groups. Information on whether an Importer belongs to high, medium or low risk group can be attained only after registration within the official website of the State Customs Committee.

The criteria of classification under the aforementioned risk groups are also considered while selecting the relevant Corridor.

Amendments to the Presidential Decree “On Regulations of Central and Local Executive Authorities

Amendments to the Presidential Decrees “On Regulations of Central Executive Authorities” and “On Regulations of Local Executive Authorities” effective since 20 May 2016 introduce the Board of Appeals, aiming at investigation of recurring complaints made of individuals or legal entities, engaged in entrepreneurial activities, on decisions, actions or inactions (excluding corruption related matters) of the respective executive authorities or their local organizations.

Amendments to the Migration Code of the Republic of Azerbaijan

Amendments to the Migration Code of the Republic of Azerbaijan effective since 02 June 2016 (“Amendments”) outline new provisions in relation to the exemptions from residence and work permits.

Under the Amendments, the following individuals are also exempted from obtaining the work permit, and therefore, have grounds to apply for residence permit:

- Experts, having higher education in shipbuilding area or vocational training in the relevant field with at least 1 year experience in the respective area, which are invited either by Azerbaijani citizens or contractors of an Azerbaijani legal entity, or the residents of Garadagh Industrial Park
- Heads or Deputy Heads of a legal entity established in the Republic of Azerbaijan, whose shareholder or at least one of its shareholders is a foreign legal entity or individual.

Amendment to the Law on Customs Tariff

According to the Amendment to the Law “On Customs Tariff” effective since 01 June 2016, import of all types of the goods for the purposes of shipbuilding activity by a resident of Garadagh Industrial Park shall be exempt from customs duty as of 1 May 2016 for the period of 5 years.



96 Nizami St.
Baku, AZ1010, Azerbaijan
Tel: +994 (12) 404 12 10
Fax: +994 (12) 404 12 11
www.deloitte.az

© 2016 Deloitte & Touche LLC. All rights reserved.

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. Please see www.deloitte.com/ru/about for a detailed description of the legal structure of Deloitte & Touche CIS.

This communication is for internal distribution and use only among personnel of Deloitte Touche Tohmatsu Limited, its member firms, and their related entities (collectively, the “Deloitte Network”). None of the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.