



Azerbaijan Legal News

Preparing for changing landscape

Law “On Full Insurance Coverage of Deposits”

In a move to boost public confidence in commercial banks a new Law “On Full Insurance Coverage of Deposits” was adopted on 19 January 2016.

By virtue of the Law, all deposits that are within the frames of the annual interest rates on deposits defined by the Board of Trustees of the Deposit Insurance Fund will be insured irrespective of their amount for the period of three years since the effective date of the Law.

For the purpose of the Law, the frames of annual interest rates on deposits constitute 3% in relation to a foreign currency deposits and 12% for the local currency deposits.

Deposits with annual interest rates exceeding the defined interest rates shall neither be subject to compensation nor full insurance. Depositors who have already held deposits by the effective date of the Law and those with annual interest rates exceeding the defined interest rates can become eligible for full insurance and compensation provided that they adjust their deposit agreements to the requirements of the Law. Once amendments are made to the deposit agreements, interest rates accrued up to the date of the amendments shall be fully paid to the depositors in accordance with the terms of the then valid agreements.

Amendments to the Law “On Insurance of Deposits”

Amendments to the Law “On Insurance of Deposits” were approved by the Parliament of Azerbaijan on 29 December 2015.

The Amendments introduce the additional rules for payment of compensation for deposits in case a depositor has outstanding obligations with regard to the bank at the time of an insurance event. The amount of an outstanding obligation will be deducted by the bank from the amount of compensation payable to the depositor.

Decree “On Implementation of Additional Measures Aimed at Encouraging Exportation of Non-oil Products in Azerbaijan”

The President of Azerbaijan has signed a Decree “On Implementation of additional measures aimed at encouraging exportation of non-oil products manufactured in Azerbaijan” dated 1 March 2016.

According to the Decree, individuals or entities engaged in exporting of non-oil products in the territory of Azerbaijan will receive export promotional payments, which will vary depending on the share value and types of local components either produced or used in production or manufacturing of non-oil products in Azerbaijan.

The base part of the promotional payment has been defined as 3% from the customs value of the actually exported product as defined in the export customs declaration.

The Decree has become effective from 1 March 2016 and is valid until 31 December 2020.

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)



Business Center “Landmark”
96 Nizami St., Baku, AZ1010, Azerbaijan

© 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 <http://www2.deloitte.com/az/en/pages/about-deloitte/articles/about-deloitte.html> for a detailed description of the legal structure of Deloitte, Azerbaijan.

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. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.