



Azerbaijan Legal News

Prepare for a Changing Landscape

Decree “On Establishment of the Financial Market Supervisory Chamber Public Legal Entity in Azerbaijan”

For the purposes of licensing, regulation and control of securities market, investment funds, insurance companies, credit organizations (banks, non-banking organizations and operators of postal communication) and payment systems, along with strengthening the control over prevention of the legalization of criminally obtained funds or other property and the financing of terrorism, the President of Azerbaijan signed the Decree “On Establishment of the Financial Market Supervisory Chamber Public Legal Entity in Azerbaijan” dated 3 February 2016 (“Decree”).

By virtue of the Decree, the Financial Market Supervisory Chamber public legal entity (“Chamber”) has been established in Azerbaijan. The President of Azerbaijan has retained certain powers as a founder of the Chamber, such as approval of the charter of the Chamber, defining the amount of charter fund of the Chamber, etc.

The Chamber will be governed by the Board of Directors comprising of five members to be appointed and removed by the President of the Republic of Azerbaijan.

As a result of creation of the Chamber, the below listed state bodies shall be liquidated upon approval of the charter of the Chamber:

1. State Securities Committee of Azerbaijan
2. State Insurance Control Service under the Ministry of Finance of Azerbaijan
3. Financial Monitoring Service under the Central Bank of Azerbaijan.

A special working group has been composed in order to support the activity of the Chamber.

New Law on Public Legal Entities

The Law of the Republic of Azerbaijan “On Public Legal Entities” was adopted on 29 December 2015 and became effective as of 3 February 2016 (“Law”).

The Law provides for the rules on establishment, operation and formation of the public legal entities and does not apply to the state owned entities.

The Law defines a public legal entity as any entity (excluding state or municipal authority), engaged in national and public activities and established either by state or municipal authority, or by a public legal entity.

The Law further provides for general rules of operation of public legal entities in Azerbaijan, their governance, liquidation procedures, property issues, etc.

Decree “On Establishment of the Board of Appeal in the Central and Local Executive Authorities”

Towards the establishment of transparency and objectivity during the review of appeals made by individuals and legal entities engaged in entrepreneurial activities, on 3 February 2016 the President of Azerbaijan signed the Decree “On Establishment of the Board of Appeal in the Central and Local Executive Authorities” (“Decree”).

The Decree envisages establishment of the Boards of Appeal within the central and local executive authorities and adoption of their model regulations.

Decree “On Establishment of the Board of Appeal under the President of the Republic of Azerbaijan”

On 3 February 2016 the President of Azerbaijan signed the Decree “On Establishment of the Board of Appeals under the President of the Republic of Azerbaijan” (“Decree”). The Decree stipulates establishment of multilevel structure for consideration of appeals made by individuals and legal

entities engaged in entrepreneurial activities and aims at improvement of the appeal mechanism on decisions, actions or failure to act by central and local executive authorities.

The list of members of the Board of Appeal under the President of Azerbaijan was approved by the Decree of the President of the Republic of Azerbaijan dated 3 February 2016.

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