



## Azerbaijan Legal News Representing Tomorrow

### Law “On Approval of the New Administrative Code of Azerbaijan”

The Law of Azerbaijan “On Approval of the New Administrative Code of Azerbaijan” was adopted on 29 December 2015 and becomes effective as of 1 March 2016 (“Law”).

By virtue of the Law, the new Administrative Code of Azerbaijan (“Code”) has been adopted and stipulates new as well as updated penalties for violation of, inter alia, migration, labor, currency and other legislative requirements.

<b>Migration</b>	New	Engagement in a paid labor activity without a work permit required for such activity	300-400, with or without administrative deportation	Foreigners or stateless persons
	New	Intentional re-entrance into the country with amended documents once deported during the restriction period	500, together with administrative deportation	Foreigners or stateless persons

	New	Employment of a foreign or stateless employee in the place other than his place of work	500	Officials of the employer
	Updated	Accepting, ensuring employment or provision of services in regard to foreigners or stateless persons, together with fulfilling duties in allowing them to stay, reside in Azerbaijan or transit, as well as violation of the established rules on registration, de-registration, or authorizing documents on their stay or residence in Azerbaijan	2,000-3,000	Legal entities
	Updated	Employment of one foreigner or a stateless person without obtaining work permit	3,000-4,000	Officials of the employer
15,000-20,000			Legal entities	
Employment of three or more foreigners or stateless persons without a work permit		5,000-7,000	Officials	
		30,000-35,000	Legal entities	
<b>Currency</b>	Updated	Purchase and sale, or exchange of currency values at public places violating the legislation, as well as acceptance of currency values as payment means	40-80% from the amount of transaction	Individuals and legal entities
<b>State Language</b>	Updated	Violation of the rules regarding usage of official language (particularly propagation against, counteraction in usage and development of official language, along with attempt in limitation of the sphere of its usage and prevention of application of the Latin alphabet) in Azerbaijan	1,000 -1,500	Individuals
			2,500-4,000	Officials of the legal entities
			12,000-16,000	Legal entities

### **Amendment to the Migration Code of Azerbaijan on Issuance of Electronic Visas**

In accordance with the Amendment to the Migration Code of Azerbaijan made on 1 February 2016 ("Amendment"), the term for review of the application made through tourism companies accredited in Azerbaijan concerning issuance of electronic visas to tourists is reduced from 10 up to five working days.

## **Law “On Ratification of the United Nations Convention on Contracts for the International Sale of Goods”**

According to the Law of Azerbaijan “On joining the United Nations Convention on Contracts for the International Sale of Goods” dated 1 February 2016, Azerbaijan ratified the “United Nations Convention on Contracts for the International Sale of Goods” signed on 11 April 1980 (“Convention”).

This would mean that persons whose place of business is in Azerbaijan will be eligible to apply the entire Convention or any of its provisions within their contractual relationship in cross-border sale of goods, provided that the counterparty’s business place is in the member country to the Convention.

It should be noted that according to the Convention:

- i. if a party has more than one place of business, the place of business would be that which has the closest relationship to the contract and its performance, having regard to the circumstances known to or contemplated by the parties at any time before or at the conclusion of the contract;
- ii. if a party does not have a place of business, reference is to be made to his habitual residence.

## **Amendments to the Law “On Compulsory Insurance”**

Amendments to the Law of Azerbaijan “On Compulsory Insurance” adopted on 18 December 2015 (“Law”) provides for the additional rules for payment of compulsory insurance fees. Thus, insurance agents may transfer fees received from the insured in cash to the accounts of the relevant insurers via the payment system integrated with information system. The previously mentioned payment system shall allow obtaining an electronic report on payments made to the Compulsory Insurance Bureau or accounts of the relevant insurers.

Moreover, the Law prohibits making any extras or discounts with regard to compulsory insurance fee or offering any other deals while concluding compulsory insurance agreement.

Last but not least, the Law now demands conclusion of compulsory insurance agreements on the liability of vehicle owners in the form of an electronic document in accordance with the requirements of the Law of Azerbaijan “On Electronic Signature and Electronic Document”.

## **Amendment to the Labor Code of Azerbaijan on Certification Rules of Employees working in the Field of Practical Medical or Pharmaceutical Activities**

According to the Amendment to the Labor Code of Azerbaijan dated 19 January 2016, employees engaged in the field of practical medicine or pharmaceutical activity shall neither be questioned on matters not directly related to their activities, nor evaluated about their political views or beliefs during their professional certification.

## **Rules on issuing identification documents for the citizens of Azerbaijan under the age of 15**

The Amendment to the Law of Azerbaijan “On Identification Document of Citizen Azerbaijan” dated 29 December 2015 (“Amendment”) introduces the following provisions:

- Towards implementation of personal identification card for Azerbaijani citizens under the age of 15 (“citizens under the age of 15”) as of 1 January 2020, citizens under the age of 15 shall obtain ID cards during the period from 1 January 2017 to 1 January 2020.
- Issuance or replacement of ID cards to citizens under the age of 15 shall be carried out via an application of either their parent, adopter, trustee or guardian.
- ID cards of citizens under the age of 15 will cover their personal photo, excluding personal signature.

- ID cards of Azerbaijani citizens under the age of 5 and 15 shall expire upon their 5<sup>th</sup> or 15<sup>th</sup> anniversary.
- ID card of an Azerbaijani citizen aged 5 to 15 years shall expire upon his/her 15<sup>th</sup> anniversaries, accordingly.

The Amendment shall be effective from of 1 January 2017.

## Tax & Legal Department

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



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](http://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.