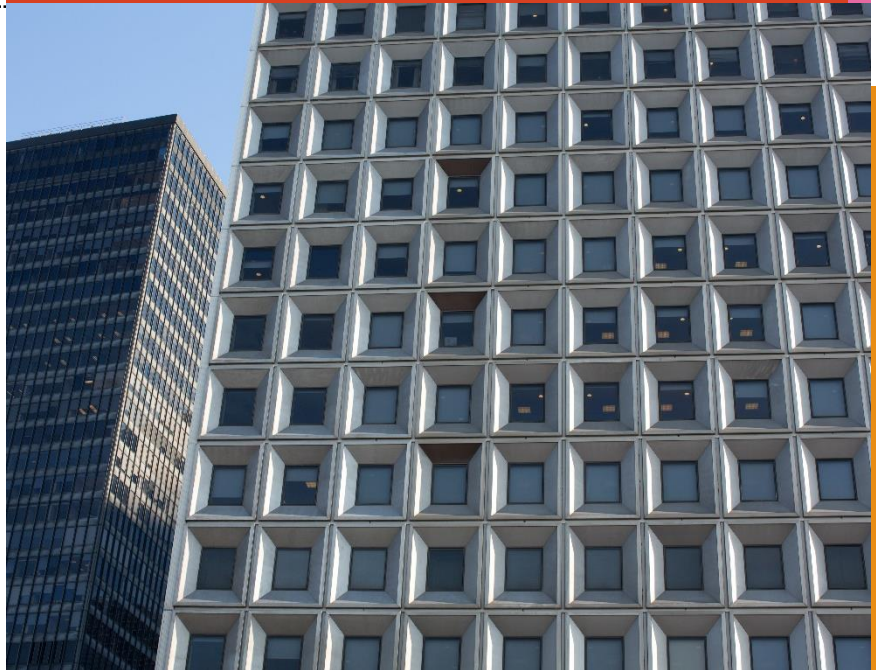


PwC Azerbaijan Times

Issue №3, Breaking news

Overview of this Issue:

- **Law of the Republic of Azerbaijan ‘On public legal entities’**
- **Presidential Decree ‘On establishment of Chamber for Control over Financial Markets’**
- **Presidential Decree ‘On establishment of Board of Appeal in central and local executive bodies’**
- **Presidential Decree ‘On establishment of Board of Appeal under the President of the Republic of Azerbaijan’**



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Law of the Republic of Azerbaijan ‘On public legal entities’

On 3 February 2016 the Law ‘On public legal entities’ published and came into force. This new Law introduces a new organizational form of legal entity in Azerbaijan - a public legal entity. Pursuant to the Law, a public legal entity, being not a state or a municipal body, may be established only either by the state, or by a municipality for the purposes of carrying common state or publicly important activities in Azerbaijan. A public legal entity has its own charter, property and charter capital formed by property contributed thereto by its founder(s). State and municipal property contributed to the public legal entity may be used only for the purposes indicated in its charter. Neither the state, nor municipalities are responsible for obligations of the public legal entity; they carry the risk for the damages caused in accordance with activity of the public legal entity to the extent of the value of the property contributed by them to the charter capital of the public legal entity.

Incorporation, re-organization and

liquidation of the public legal entity is regulated by the Civil Code of the Republic of Azerbaijan and its respective charter.

The Cabinet of Ministers of the Republic of Azerbaijan is duly instructed to prepare its recommendation package for ensuring the compliance of other related legislative acts to the law ‘On public legal entities’ within 3-5 months.

Presidential Decree ‘On establishment of Chamber for Control over Financial Markets’

A new public entity - Chamber of Control over Financial Markets (CCFM) – was established by the Presidential Decree on 3 February 2016. The CCFM replaces State Committee for Securities of the Republic of Azerbaijan, Financial Monitoring Service under the Central Bank of the Republic of Azerbaijan and State Insurance Supervision Service of the Ministry of Finance of the Republic of Azerbaijan, which should be abolished and all state property under their use should be transferred to CCFM upon the charter of CCFM comes into force.

PwC Azerbaijan Times

Issue №3

The functions of CCFM include improvement, regulation and control over the securities market, investment funds, insurance and credit organizations, as well as enhancing control system for prevention of legalization of criminally obtained funds or any other property and financing of terrorism.

A working group has been established in order to prepare recommendation package for ensuring compliance of the existing Laws 'On securities market', 'On banks', 'On the Central Bank of the Republic of Azerbaijan', 'On non-bank credit organizations', 'On insurance activity', and to take necessary actions for operation of CCFM.

Presidential Decree 'On establishment of Board of Appeal in central and local executive bodies'

On 3 February 2016 the Presidential Decree 'On establishment of the Boards of Appeal in the central and local executive bodies' came into force. According to this Decree, the major reason for establishment of the Boards of Appeal is ensuring transparency and objectivity in consideration of complaints submitted by individuals or legal entities engaged in business activities, and securing their rights and interests. Separate Presidential Decrees of 3 February 2016 also approve 'Sample Regulations for Boards of Appeal of central executive bodies', and 'Sample Regulations for Boards of Appeal of local executive bodies', according to which appeals on resolutions, acts or omissions of central and local executive bodies should be submitted to the respective Boards.

Written resolutions adopted by the Boards upon consideration of complaints may be appealed through the Board of Appeal under the President of the Republic of Azerbaijan. Information on the adopted resolutions should be published via mass media and on the official web site of the Board.

Presidential Decree 'On establishment of Board of Appeal under the President of the Republic of Azerbaijan'

On 3 February 2016 the Presidential Decree 'On establishment of the Board of Appeal under the President of the Republic of Azerbaijan' came into force. According to this Decree, the Board is created in order to provide a multistage appeal process and to improve compliant procedures from resolutions, acts, or omissions by the central and local executive bodies.

In accordance with the Regulations of the Board of Appeal under the President of the Republic of Azerbaijan, approved by a separate Presidential decree dated 3 February 2016, the Board has to ensure consideration of appeals on resolutions, acts or omissions by the boards of appeal of central and local executive bodies, submitted by individuals and legal entities.

Execution of written resolutions adopted by the Board upon consideration of appeals are mandatory for all central and local executive bodies, individuals and legal entities. Nevertheless, adoption of the Board's resolution does not prevent individuals and legal entities to submit their appeals on Board's resolutions in judicial order in accordance with the existing Law 'On administrative procedure'.

Information on the adopted resolutions shall be published via mass media and on the official web-site of the Board.