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Contact us for any questions related to the information included herein



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#### **1. The functions and structure of the Ministry of Economy of Azerbaijan have expanded and a new minister has been appointed.**

By a decree dated 23 October 2019, the President of the Republic of Azerbaijan has approved the new structure of the Ministry of Economy. Now the Ministry of Taxes, State Committee on Property Issues and State Agency on Antimonopoly and Consumer Market Supervision have all been incorporated into the structure of the Ministry of Economy. The above authorities will have the status of state service. According to the Decree the structure and number of employees, legal status, salaries, employee reward system, rights and obligations related to the state service of the employees remain unchanged at initial stage.

the new structure of the Ministry of Economy now comprises of the following bodies:

1. Apparatus of the Ministry of Economy (departments and sectors);
2. State Tax Service under the Ministry of Economy;
3. State Service on Property Issues under the Ministry of Economy;
4. State Service on Antimonopoly and Consumer Market Supervision under the Ministry of Economy;
5. Regional branches of the Ministry of Economy;
6. Apparatus of trade representatives in the embassies and consulates of the Republic of Azerbaijan operating abroad.

#### **2. Amendments to the "Law on public legal entities" have been adopted**

Parliament of the Republic of Azerbaijan approved the changes to the "Law on Public Legal Entities". The most significant changes concern:

- registration procedure: according to the amendment, a public legal entity may be registered even if not all the members of administrative bodies have been appointed; and
- content of the Charter: the right to engage in business activity must be specifically mentioned.

#### **3. Amendments to the "Code on Administrative Offences" have been implemented**

From now on, the employment agencies providing assistance to job seekers in finding jobs both internally and internationally shall be subject to fines in the range from AZN 500 to AZN 1,000 (appr. USD 293 to USD 586) for failure to provide Ministry of Labour and Social Protection of Population with the information on the number of job seekers, as well as failure to engage in the electronic information exchange with Ministry of Labour and Social Protection of Population.

Moreover, according to the recent amendments, the administrative fine may be imposed for failure to pay state duties to the Financial Market Supervisory Authority as per the prescribed rules on the financial institutions (banks, non-banking credit institutions, insurance companies etc.) in the amount of AZN 3,000 (appr. USD 1,759) and on their officers in the amount of AZN 1,000 (appr. USD 586).

#### **4. Amendments to the "Law on State Procurement" have been implemented**

According to the amendments, to be able to act as a supplier, a candidate should not have committed any breach of the requirements of the Tax Code Code of the Republic of Azerbaijan, at least within the last year of its activities.

#### **5. Amendments to the "Law on Credit Unions" have been implemented**

Credit unions are now required to comply with requirements of the "Prevention of the Legalization of Criminally Obtained Funds or other Property and the Financing of Terrorism" law.

#### **6. Changes to the "Law on Health Insurance" related to the Mandatory Health Insurance shall be effective from January 1, 2020**

Starting from 01 January 2020 medical insurance will be mandatory.

The changes made to the "Law on Health Insurance" related to the "Mandatory Health Insurance" will come into force as of January 1, 2020.

The basic information on various categories and objects of calculation of insurance premiums defined by the law is summarized in the table below.

According to the Decree of the President of the Republic of Azerbaijan, the Cabinet of Ministers will determine the form and procedures on conclusion of the relevant health insurance contract and medical insurance certificate.



<i>Service packages</i>	<i>Insured person* /Insurance base**</i>	<i>Insurance contract holder (Insurer)</i>	<i>Insurance Premium</i>	<i>Paid by</i>	<i>Terms of payment</i>
<b>Standard coverage</b>	* Citizens of the Republic of Azerbaijan, foreigners and non-Azerbaijan citizens permanently or temporarily residing in the Republic of Azerbaijan	Ministry of Finance of the Republic of Azerbaijan	<b>29 manat</b> per person for one calendar year	State Budget	In equal installments, not later than the 15th day of each month
<b>Additional coverage</b>	* Persons appointed by the Milli Majlis and the President of the Republic of Azerbaijan	Employer	<b>4%</b>	- By the insurer - 2% of the accrued salary fund; - By the insured person - 2% of the employee's salary.	At the same time as salary payments, but not later than the 15th day of each month
	* Employees working in the oil and gas and public sector under employment contracts	Employer	<b>4%</b>	- By the insurer - 2% of the accrued salary fund; - By the insured person - 2% of the employee's salary.	At the same time as salary payments, but not later than the 15th day of each month
	* Individuals engaged in entrepreneurial activities, as well as individuals performing works (services) under service agreements	Insured person	<b>120 manat</b> per person for one calendar year	Insured person	From the date of the conclusion of the mandatory medical insurance contract <ul style="list-style-type: none"> <li>in full amount within 30 days;</li> <li>not later than the 15th day of each month, in equal installments</li> </ul>
	* Other persons	Insured person	<b>120 manat</b> per person for one calendar year	Insured person	From the date of the conclusion of the mandatory medical insurance contract <ul style="list-style-type: none"> <li>in full amount within 30 days;</li> <li>not later than the 15th day of each month, in equal installments</li> </ul>
<b>Insurance Base</b>	** Motor petrol, diesel fuel and liquid gas	Taxpayer engaged in the production and import of petrol, diesel fuel and liquid gas	<b>0.02 manat</b> for each liter	Taxpayer engaged in the production and import of petrol, diesel fuel and liquid gas	Calculated on a monthly base and paid not later than the 20th day of a next month
	**Energy (alcohol or non-alcohol) drinks and liquid for electronic cigarettes.	Taxpayer purchasing the excise stamps	<b>0.1 manat</b> for each excise stamp	Taxpayer purchasing the excise stamps	At the same time as the state fee for excise stamps
	** Tobacco products	Taxpayer purchasing the excise stamps	<b>0.05 manat</b> for each excise stamp	Taxpayer purchasing the excise stamps	At the same time as the state fee for excise stamps
	** Alcoholic beverages	Taxpayer purchasing the excise stamps	<b>0.1 manat</b> for each excise stamp	Taxpayer purchasing the excise stamps	At the same time as the state fee for excise stamps