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# PwC Azerbaijan Times

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### Overview of this Issue:

- **Amendments to the Law on Banks**



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### **Amendments to the Law on Banks**

The amendments introduce new ways of dealing with rehabilitation and appointment of temporary administration to troubled banks. The new section – “Disposition of an Insolvent Bank” has been also added by the amendments. The section will regulate appointment of a temporary administrator by FIMSA (Financial Markets Supervision Authority) for a period of nine months. This period can be extended for additional three months. Section sets forth procedures of insolvent bank management by temporary administrator and authorities of administrator.

Amendments outline the procedure of voluntary debt restructuring, which will enable banks to obligate the voluntary debt restructuring of bank’s obligations to its creditors, and codify the procedure of Azerbaijan Deposit Insurance Fund appointment as a liquidator and bankruptcy liquidator to local banks.

Lastly, the amendments to the Law authorise FIMSA to investigate causes of bank’s liquidation.