

PwC Eurasia Legal

Legal Newsletter

August 2023



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PwC Legal provides a broad range of legal services in Kazakhstan, Azerbaijan, Armenia, Georgia, Mongolia and Uzbekistan, which are complementary to our Assurance, Advisory and Tax practices. Below we outline significant legislative changes for August in these countries.

Kazakhstan

The amendments to the Rules for public procurement were introduced

The Minister of Finance adopted the Order dated 10 August 2023 No. 846, introducing amendments to the Rules for Public Procurement (the “Rules”). The amendments to the Rules envisage the following:

- Issues of return and retention of security measures of the advance payment, if it is included in the agreement.
- Clarification of the procedure for the formation of an expert commission or the appointment of an expert to give an opinion on the conformity of the purchased goods, works, services.
- Requirements for the exact characteristics of the proposed products.
- Requirements for specifying information about parts of product sets.
- Issues of accounting for the experience of contractors for works and services for current repair works.
- Requirements for the financial stability of suppliers operating as an insurance (reinsurance) company.

The amendments to the Rules came into force on 30 August 2023.

Azerbaijan

Rules for Selection of an Electric Energy Producer in the Renewable Energy Sources

The Rules were approved by the Decree of the President dated 2 August 2023. The Rules determine the procedure for selecting an electric energy producer in a renewable energy sources area. The Rules also provide for specifics and terms of contracts with the producer and criteria for the formation of guaranteed tariffs at the time of the selection of the electric energy producer in the renewable energy sources area.

Georgia

Decree №291 of the Government on the Approval of the Rule for the Registration of the Working Immigrant at the Unified Database of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia

On 8 August 2023 the Government adopted the decree №291, which provides the rule for registration of the working immigrants at the unified database of the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia (the “Ministry”).

According to the decree, local employers are obliged to register all working immigrants employed as of 1 September 2023 at the Ministry’s online platform (<https://labourmigration.moh.gov.ge/>) not later than 1 November 2023. In the similar manner, in case of conclusion of a new employment agreement with a working immigrant, local employer shall complete the registration at the online platform no later than 30 calendar days thereafter. The fine in the amount ranging from 1000 to 6000 GEL will be imposed on a local employer in case of failure of the registration procedures within the established timeframes.

The decree is effective from 1 September 2023.

Mongolia

The Government adopted the National Action Plan on Business and Human Rights

On 14 June 2023 the Government adopted the Action plan for the protection of human rights in business activities, prevention of human rights violations, and restoration of Infringed Rights. By adopting the National Action Plan, Mongolia aspires to enhance its human rights protection framework.

Based upon UN Guiding Principles on Business and Human Rights, the National Action Plan covers three key sections, namely, (1) states' duty to protect human rights, (2) businesses' responsibility to respect human rights, and (3) remedies for human rights violations.

Mongolia became the fourth country to adopt the National Action Plan on Business and Human Rights in the Asia-Pacific region.

Mongolia adopted new Regulation on cybersecurity audit

On 18 August 2023 the Minister of Digital Development and Communications approved the Regulation on cybersecurity audit service and the registration of cybersecurity audit service providers.

The regulation further provides detailed procedures on cybersecurity audits, in alignment with the Law on Cybersecurity of Mongolia. Specifically, it modulates the procedures for granting a permit to qualified legal entities to conduct cybersecurity audits and monitoring the compliance of authorized entities.

Finally, yet importantly, it should be noted that pursuant to Law on Cybersecurity, a cybersecurity auditor is prohibited from conducting a cybersecurity audit on the same organization for the following years from the last cybersecurity audit.

Uzbekistan

Legislative amendments approved to align with WTO agreements

The Cabinet of Ministers has issued the Resolution introducing changes to the legal normative acts to harmonize the legal framework with international agreements of the World Trade Organisation (the "**Resolution**").

According to the Resolution, legal consultants listed in the register of legal consultants will now be permitted to provide advice on international law and laws of foreign countries. The register of legal consultants is maintained by the Ministry of Justice of the Republic of Uzbekistan.

Additionally, amendments are envisaged in the procedure for product labeling. Thus, importers and authorized representatives of manufactures will be obliged to label consumer goods in the state language. Previously, this requirement applied exclusively to manufacturers.

The amendments will come into effect on 1 January 2024.

Senate approved amendments to currency regulation, Leasing, and Rental Laws

During a plenary session the Senate approved the Draft Law aimed at improving currency regulation, leasing, and rental relations (the "**Draft Law**").

Among the key changes, the Draft Law introduces the concept of a lease agreement with an option to purchase, establishing clear rules and obligations for lessors and lessees.

Additionally, the Draft Law includes new provisions related to currency regulation. Thus new provisions exempt businesses from penalties for non-repatriation of assets within the framework of export contracts.

Also, the Draft Law introduces a provision under which the object of the agreement is deemed to be pledged to the lessee as security for the fulfillment of an obligation under the agreement.

The amendments to the Law On Trademarks came into force

On 11 August 2023 the amendments to the Law On Trademarks came into force. The amendments aim to bring the trademark regulations in line with the terms outlined in the pertinent treaties of EAEU.

As a result:

- the regulations regarding the exclusion of separate protection (disclamation) for unsaved components in trademarks have been changed. Particularly, the authorized governmental entity now possesses the authority to disclaim specific elements of declared trademarks if the applicant fails to respond (or presents an objection that is deemed unacceptable) to the notification of renunciation of exclusive rights to these components within the specified timeframe.
- the period during which lack of utilization can result in the annulment of trademark registration has been shortened. A new span of 3 years has been set, in contrast to the present 5-year term.
- the responsibilities of the authorized government body have expanded to include tasks associated with registering and ensuring legal protection for trademarks across all EAEU nations concurrently.

Hence, the introduced amendments will enhance the efficiency of implementing the Law On Trademarks guaranteeing clearer application of its established provisions.

The amendments to the Civil Code came into force

On 14 August 2023 the amendments to the Civil Code came into force. The amendments aim to create the necessary, predictable and definite legislative framework regarding the conclusion of contracts electronically, as well as the conditions, validity and legality of such contracts.

In the framework of amendments the offer and acceptance of electronic contracts have been clarified. Specifically, the offer is considered as received whenever (1) the offer enters into the information system designated by the recipient or into the electronic platform employed or overseen by him, (2) the recipient has discovered the offer in cases where it was dispatched to an information system not specified by the recipient. The same rules also apply for determining the point when the acceptance was received.

The amendments also define a condition for the acceptance of general terms of contracts when getting into contractual relations by electronic means. Particularly, in the case of signing a contract electronically, it is required that the party consents to the general terms of a contract by taking a specific action aimed at it.

Are you interested in any of the topics?

- We would be pleased to discuss with you the legislative changes and how they can impact your business;
- We can analyze and implement possible steps to ensure compliance with the new requirements.

If you are interested in additional information, please contact the respective PwC specialists.

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