

February 20, 2019

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The following key features are:

(A) According to the Decree № 56 dated 18th February, 2019, the Cabinet of Ministers approves the following criteria of the activities in the oil & gas industry and non-state sector:

1. The activities of the below-mentioned companies shall be defined as “oil and gas” regardless of the type of activities:
 - 1.1. State Oil Company of the Republic of Azerbaijan, including all (1) its structural organizations, as well as (2) contractors and all operational companies irrespective of the type of their activities in full composition in connection with production sharing agreements, main pipeline agreements and

other associated agreements;

1.2. Foreign and domestic subcontractors, which provides service for the entities, set out in Section 1.1. of this Criteria (Section 2.1.1. of the Decree):

1.2.1. On **existing** subcontractors – in case of excess of interest rate more than 50 % of its annual revenue (excluding expenses) acquired during the previous calendar year for the presented goods, performed work and provided services for the entities, specified in Section 1.1. of this Criteria (Section 2.1.1. of the Decree);

1.2.2. On **prospective** subcontractors during the year – starting from the beginning of this year, the new established subcontractor that presented goods, performed work and provided services for the entities, prescribed in Section 1.1. of this Criteria (Section 2.1.1. of the Decree) shall apply the monthly income tax for the wages at preferential rate. During the calendar year, the new established subcontractors in case of excess of interest rate more than 50 % of its increased revenue from the beginning of the year (excluding expenses) while signing agreements with entities, specified in Section 1.1. of this Criteria (Section 2.1.1. of the Decree) shall lose its right of the preferential rate on the monthly income tax for the wages (excluding expenses, irrespective of increased revenue of the next months) starting from the first day of the following month until the end of the calendar year. From the following year, the existing subcontractor shall refer to the Criteria specified in the Section 1.2.1 (Section 2.1.2.1 of the Decree).

2.2 The criterias of the activities in the non-state sector are: legal entities and individual entrepreneurs which established in accordance with the legislation of the Republic of Azerbaijan, excluding public legal entities established on the behalf of state, budgetary organizations, non- , budgetary state, funds, commercial entities which 51% and more shares belong to the state.

(B) The President has approved the Action Plan for the 2019-2020 on reducing of the negative environmental impact of plastic packaging waste in the Republic of Azerbaijan on 7th February 2019. The Decree also tasks the Ministry of the Ecology and Natural Resources to coordinate implementation of measures prescribed in the approved Action Plan and assigns the Center for Economic Reforms Analysis and Communication to monitor and evaluate the implementation of measures prescribed in the approved Action Plan.

(C) According to the Decree № 52 dated 14th February 2019; the Cabinet of Ministers approves the schedule of cash registers, which have to be connected to electron information system of the Ministry of Taxes of the Republic of Azerbaijan in real time regime. The Schedule defines four levels of transition of cash registers from offline regimes to real-time mode which depends on the classification of business subjects (objects) and their regional location:

- (i) I level – until 1st July, 2019;
- (ii) II level – until 1st October, 2019;
- (iii) III level – until 1st January, 2020;
- (iv) IV level – until 31st December 2022.

The taxpayers shall use the existed cash registers within time framework specified in the Schedule and upon expiration date shall replace by the new cash registers which shall meet requirements established by the Cabinet of Ministers and shall be connected to the electron information system of the Ministries of Taxes in real time regime. After approval of Schedule, the new established business subjects (objects) shall install cash registers in accordance with the Schedule, which shall meet requirements established by the Cabinet of Ministers and shall be connected to the electron information system of the Ministries of Taxes in real time regime.

(D) Law on amendments to the Law on Compulsory Insurance for Loosing work Capacity as Result of Occupational Accidents and Illnesses, being effective from 01st January 2020, inserts new Article 14.2-1 as follows: According to the Article 14.2 of this Law, 5 % of payable insurance amount which paid to the insurer by the policy holder in accordance with compulsory insurance agreement shall be paid to the compulsory medical insurance foundation which established under the Law on Medical Insurance.

(E) The President has signed the Decree on simplification of the permit for the exploitation of

- Ministry of Emergency Situations for re-examination in accordance with this Decree.

some multi-apartment buildings that comes into force on 01st January 2020. The main purpose of the Decree is to assist owners of multi-apartment buildings whose exploitation has not been permitted in obtaining permission on the exploitation of multi-apartment buildings by optimizing the procedure and duration of provision of permission for the exploitation of those multi-apartment buildings in the following way:

- Within two months, the Ministry of Emergency situations shall examine the stability of the load-bearing construction of the construction site, its utility capacity, its compliance with the fire safety requirements, and operation of elevators and engineering & communications systems of the completed and exploited multi-apartment buildings (multi-apartment building complexes) by 01st January 2019, including completion of construction and installation works, all floors, side walls and roof construction. The Ministry of Emergency Situations shall prepare and present to the State Committee for Urban Planning & Architecture and/or local executive body their report on readiness of exploitation of multi-apartment buildings (multi-apartment building complexes), its technical indicators, its real status of the building maintenance, as well as project on coordination of the buildings along with its electronic copy in case of positive examination results. In its turn, the State Committee of Urban Planning & Architecture and/or associated local executive body shall give a permission on exploitation of multi-apartment building upon receipt of positive report during 7 days in accordance of this Decree and shall inform the Ministry of Emergency Situations and State Registry of real estate in writing.
- In accordance of this Decree, in case of negative examination results, the Ministry of Emergency Situations shall prepare and present to the owner of multi-apartment buildings (multi-apartment building complexes) or its managing organization, in case of their absence to the relevant local executive body report on the evidence of the shortcomings identified and the measures to be taken to eliminate them within the period of 5 months. In case of elimination of shortcomings within 5 months period, it shall be applied to the

The Decree assigns:

- (a) State Committee for Urban Planning & Architecture and/or relevant local executive body to provide with information on permission and project on coordination of the buildings along with its electronic copy within 3 days from date of permission the State Committee on property issues, “Azersu” OJSC, “Azerishiq” OJSC and “Azeriqaz” Productions Association of the State Oil Company;
- (b) State Committee on property issues to provide necessary assistance to the Ministry of Emergency Situations in the determination of coordinates of multi-apartment buildings (multi-apartment building complexes) during their examination; to ensure state registration of property rights of the residents of multi-apartment buildings (multi-apartment building complexes) which have permission on its exploitation within period determined by law;
- (c) Relevant local executive bodies to provide necessary organizational assistance to the owners of multi-apartment buildings (multi-apartment building complexes) in case of negative examination results in order to eliminate examined shortcomings;
- (d) “Azersu” OJSC, “Azerishiq” OJSC and “Azeriqaz” Productions Association of the State Oil Company to provide necessary assistance to the Ministry of Emergency Situations in operation of engineering & communications systems of multi-apartment buildings (multi-apartment building complexes) during its examination and to ensure supply and installation of water, electricity, gas and sewage systems during one month from the date of its permission.

(F) Law on amendments to the Law on Medical Insurance has been adopted on 28 December 2018 (published on 31st January 2019) and has been effective from 01st January 2020. This Law on amendments to the Law on Medical Insurance describes main definitions, medical insurance and its forms, subjects of medical insurance, voluntary medical insurance, rights and duties of a policy holder & insurer on voluntary medical insurance, compulsory medical insurance, insurance payment on compulsory medical insurance, a policy holder & insurer on compulsory medical insurance, rights and duties of the participants of the compulsory medical insurance,

calculation and payment of compulsory medical insurance and submission of reports, compulsory medical insurance agreements, insurance limits, compulsory medical insurance foundation and other provisions.

According to the amendments, compulsory health insurance premiums are defined in the following amounts and rates:

- on the base part of service package – 29 manat per person per calendar year;
- on the additional part of service package:
 - for the persons referred to Articles 15-2.3.1 and 15-2.3.2 of this Law:
 - (i) by the policy holder - 2 % of the calculated remuneration fund;
 - (ii) by the insured person – 2 % of the employee's salary.
 - for persons referred to Articles 15-2.3.3 - 15-2.3.6 of this Law - 120 manats per person per calendar year;
 - gasoline, diesel, fuel and flued gas which produced and purchased in the territory of the Republic of Azerbaijan (wholesale) and imported to domestic consumption - 0,02 manat per liter;
 - for issuance of excise duty on energetic drinks (alcoholic and non-alcoholic) and electronic cigarettes - 0.1 manat per each excise duty;
 - for issuance of excise duty on tobacco products - 0,05 manat per each excise duty;
 - for issuance of excise duty on alcoholic drinks - 0,1 manat per each excise duty;
 - in accordance with the Law on Compulsory Insurance for compulsory civil liability insurance of motor vehicle owners – 50 % of payable insurance per calendar year;
 - in accordance with the Law on Compulsory Insurance for Loosing work Capacity as Result of Occupational Accidents and Illnesses which paid to the insurer by the policy holder - 5 % of payable insurance amount.

Under the provisions of this amendment, the sources of compulsory health insurance has been concentrated in the compulsory health insurance foundation and has been used for the compulsory health insurance payments, formation of the reserves in the manner prescribed by this Law and expenses for management and operation of organization determined by the relevant local

executive body (including maintenance costs and employee's salaries) which shall not exceed 2 % of the income of the compulsory health insurance foundation.

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