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- (E) Presidential Decree on some issues concerning the improvement of the activity of the State City Building and Architecture Committee of the Republic of Azerbaijan;**

The following key features are:

(A) The Law on Mediation of the Republic of Azerbaijan was officially published on April 03, 2018. Mediation is an alternative dispute resolution procedure and subject to Articles 28 and 29 of the law on mediation it is voluntary. Mediation is applicable in civil, economical, family, labor and administrative disputes. Under Articles 28 and 29, the parties shall participate at the initial mediation session before going to the court in economic, family and labor disputes from July 01, 2020.

This law regulates the mediation process, activity of mediators and mediation institutions and defines requirements for those who want to be a mediator and for a mediation organization to provide mediation services.

The parties employ a mediator to facilitate and assist them in reaching a settlement. There is not a requirement to have a diploma in any field of study instead mediators are required to seat in training for mediators and obtain certificate.

Mediation organization is eligible to provide mediation services after being a member of Mediation Council. Mediation Council is an independent and self-governing body established based on compulsory membership of mediators, mediation organizations, and mediation training entities.

(B) According to the Decree № 107 dated 18th March, 2019, the Cabinet of Ministers approves Rules on evaluation of the impacts to procurement contracts in connection with the circumstances prescribed in the Article 422 of the Civil Code in accordance with the Article 51.2 of the Law on State Procurement, the main purpose of which is to regulate the impacts to the procurement contracts signed between organizations & contractors due to significant change of circumstances. The scope of this Rule applies only to those procurement contracts that have not been completed at the time of the significantly changed circumstances and does not apply to other provisions of the procurement contracts. The following crucial points of the Rules are:

- 1.** In case of decreasing or increasing price of the goods (services) due to significant change of circumstances, the organizations (due to diminution of price) and the contractors (due to rise of prices) shall raise the issue again on review of price within 20 (twenty) bank days from the date of significant change of circumstances;

- 2.** The Parties shall notify each other regarding consideration of review of price within 20 (twenty) bank days;

3. Evaluation of the impacts to the procurement contracts due to significant change of circumstances **(a)** shall be referred to those goods (services) which scheduled to be supplied after the date of the significant change of circumstances occurred; **(b)** shall be also referred to those goods (services) that are not supplied on time because of the fault of the contractor and caused price reduction due to significant change of circumstances occurred; **(c)** shall not be referred to those goods (services) that are not supplied on time because of the fault of the contractor and caused price increase due to significant change circumstances occurred; **(d)** shall be made by means of one of probable calculations methods considering potential value of supplied goods (services) after the date of the significant change circumstances occurred.

(C) The Cabinet of Ministers approves the calculation methods for the evaluation of potential prices of goods (services) in accordance with Article 27.1 of the Law on State Procurement. Under the provisions of the Decree № 106 dated 18th March 2019, the calculation methods for the evaluation of potential prices of goods (services) and its procedure & regulations are defined in the following way:

(i) State enterprises, state organizations (offices), commercial entities which 30% and more shares belong to the state (hereinafter – procurement organization) shall determine these calculation methods for the evaluation of potential price of supplied goods (services), excluding those goods (services) whose tariffs regulated by the state and those food products which supplied at the expense of state funds;

(ii) The procurement organization shall count by means of this calculation methods the potential price (which includes all applicable taxes and other relevant tariffs) of supplied goods (services) before the establishment of tender commission;

(iii) In case of involvement of professional evaluator by the procurement organizations in order to determine the potential price of supplied goods (services), the professional evaluator shall count by means of these calculation methods;

(iv) Potential price of supplied goods (services) shall be kept confidential by procurement organization until the date of the opening of bid price and shall use it for the evaluation of the results of the tender.

According to the Decree, the calculation methods for the evaluation of potential prices of goods (services) are as follows:

- (A)** statistical method;
- (B)** market (survey) method;
- (C)** open information method;
- (D)** analogy method.

In case of calculation of possible value of goods

(services) by means of two or more methods, the potential price of goods (services) will be considered the lowest price.

(D) On the basis of the Decree, № 118 that adopted on 19th March 2019, the Cabinet of Ministers approves Code of Conduct of the officials in accordance with the Article 13.1.1 of the Law on State Procurement. The main purpose of the Code is to eliminate issues in regard of conflicts of interest in state procurement; to declare whether officials who involved in state procurement have any interest or not; to define responsibility in accordance with law for the officials who involved in state procurement; to determine rules and regulations for the professional trainings and their examination. The Code also reflects personal responsibility, legal compliance, ethical behavior in relation to public relations and other provisions and duties. Under the provisions of the Decree, each official who involved in state procurement shall review all articles of the Code of Conduct and shall comply with the following requirements of the Code:

- Rule of law;
- Conscientiousness;
- Professionalism & personal liability;
- Loyalty;
- Impartiality;
- Public trust;
- Ethical behavior;
- Confidentiality.

The below mentioned duties of the officials who involved in state procurement are as follows:

- (a)** To ensure acquisition and dissemination of the information stated in the relevant order of the relevant state organizations;
- (b)** To follow the rules on presenting the information provided by the state organizations;
- (c)** Not to use information obtaining during state service activity for the personal interests;
- (d)** To take measures to prevent destruction, theft and plunder of the service property, to carefully treat with service property, to prevent them from external influence and to inform management regarding any damage, destruction and loss of the property;
- (e)** Not to use state property, financial resources, communications, computer and other communications systems, vehicles, technical and other logistics equipment for the purpose of personal interests which do

not relate to performance of state duties.

The officials who involved in state procurement **(i)** shall bear discipline responsibility for the violations of any provisions of the Code of Conduct; **(ii)** shall not lead to the conflicts of interest during service activity and shall not use its duties and authority for the purpose of personal interests; **(iii)** shall not lead to the actions (inaction) in obtaining of illegal material or non-material benefits, privileges and discounts and shall not take any decisions in connection with them.

It is worthy to mention that the Presidential Decree dated 28th December, 2018 has made vital changes to the Law on State Procurement, particularly to the Articles 4-1, 9.4, 9.5, 37.7, 40-1, 40-2, 40.2.1, 40.2.2, including the most important changes in connection with provisions of Code of Conduct (Article 13), calculations methods (Article 27), participation of micro, small and medium entrepreneurs in state procurement (Section VI-I), the rules on evaluation of the impacts to the procurement contracts in connection with the circumstances prescribed in the Article 422 of the Civil Code (Article 51).

(E) The Decree dated March 19, 2019 was signed by the President in order to establish Territorial Construction Planning Centre (hereinafter - Centre). The main aim of establishment of this Centre was the improvement and easing of the work of the State City Building and Architecture Committee.

This Centre shall provide services, the list of which is also approved by the Presidential Decree which includes giving information about parameters of the territory which will be constructed, giving opinions on the separation of the state and municipal lands, checking of the project for city building construction and etc. Previously, these services were carried out by State City Building and Architecture Committee.

It is also worthy to mention that these changes in city building was part of the Presidential Decree (№ 226) dated August 01, 2018 on additional measures concerning the improvement of management in the city building and acceleration of obtaining permissions in the city building and construction. According to the Decree:

1. The State City Building and Architecture Committee of the Republic of Azerbaijan (hereinafter-Committee) is assigned to issue permits for construction and exploitation of buildings in the administrative territory of Baku city.
2. Baku City Executive Authority Chief Office for Architecture and City Building became a sub entity of the Committee.

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