

June & July 2021

In this issue:

1. *23 July, 2021*
After entering into force, Mediation Law has been amended.
2. *16 July, 2021*
Court fees system is changed.
3. *12 July, 2021*
New Law “On the use of renewable energy sources in the production of electricity”.
4. *9 July, 2021*
Major amendments have been made to the Civil Procedural Code.
5. *16 June, 2021*
Amendments to the Labour Code.
6. *12 June, 2021*
The Code of Administrative Offenses has been amended.

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1. On 1st July 2021 the Law on Mediation entered into force. In this regard followed the relevant amendments to the Law.

Article 31.1. is to be read as follows:

“At any stage of the proceedings, the court may, on its own initiative or at the request of one of the parties, offer to settle the dispute through mediation, taking into account the circumstances of the case. If an "Agreement on the Application of the Mediation Process" is concluded between the parties, the proceedings shall be suspended until a conciliation agreement and a protocol on the results of the mediation process are submitted.”

Article 31.4. is to be read as follows:

“When a dispute between the parties is resolved through mediation, a settlement agreement shall be submitted to the court. If the court approves the submitted conciliation agreement, the proceedings on the case shall be terminated.”

2. The Law “On State duty” has been amended to introduce new court fees. Thus, claims are categorized as rated and unrated. For rated claims the following limits have been set:

If claim price is up to 1.000 AZN – 30 AZN;

If claim price is from 1.000 AZN up to 10.000 AZN – 30 AZN + 1% of the amount over 1,000 AZN;

If claim price is from 10.000 AZN up to 100.000 AZN – 120 AZN + 0.3% of the amount over 10.000 AZN;

If claim price is from 100.000 AZN up to 1.000.000 AZN – 390 AZN + 0.1% of the amount over 100.000 AZN;

If claim price is more than 1.000.000 AZN – 1.290 AZN + 0.5% of the amount over 1.000.000 AZN (not exceeding 50.000 AZN in any case);

Court fee for unrated claims, for filing applications for a court order and for cases considered by a court in special proceedings procedure accounts for 100 AZN.

The amendments will enter into force from 1st October 2021.

3. The Law “On the use of renewable energy sources in the production of electricity” has been adopted which defines the legal, economic and organizational bases of the use of renewable energy sources in the production of electricity, as well as support mechanisms to promote the production of electricity from renewable energy sources and regulates the relations arising in this field.

This Law envisages important provisions such as principles of state regulation, support mechanisms for the use of renewable energy sources in the production of electricity, selection of a producer as well as prices (tariffs) and responsibilities.

4. On 9 July 2021 the Parliament of Azerbaijan Republic decided to amend the Civil Procedural Code in accordance with the given instructions and recommendations to accelerate the process of formation of justice that meets the requirements of modern times, to take advantage of the application of modern information technology in court proceedings and to ensure more effective functioning of justice mechanisms.

With the new amendments, the stage of preparation of cases for consideration in courts has been redesigned, aiming to ensure more efficient consideration of cases in court; in some cases, the rules of written proceedings in courts have been established; the opportunity for litigants has been introduced to participate in civil proceedings via video conferencing; more detailed regulations of the rules of application of interim measures during civil proceedings provided.

Lastly, amendment has empowered courts to impose a fine up to 500 manats on case participants, their representatives or attorneys who clearly obstruct the proper and prompt consideration and resolution of the case, as well as repeatedly file manifestly unfounded petitions or complaints.

These amendments will enter into force on 1st October 2021.

5. With the new amendment, the state social insurance certificate has been excluded from the list of documents required from the employee at the time of concluding the employment contract.

Additionally, Article 307 has been amended to read as follows:

“Insured employee receives a personal account with a permanent (unchangeable) social insurance number in accordance with the Law of the Republic of Azerbaijan “On Personal Accounting in the State Social Insurance System” as well as an insurance certificate (policy) in accordance with the Law of the Azerbaijan Republic “On Social Insurance”.

6. New article 411-2 has been added to establish responsibility for the violation of the procedure for subsidizing the production of agricultural products.

Thus, a farmer receiving a subsidy by a farmer by deliberately entering incorrect information in the “Electronic Agriculture” information system, or not using the amount of the subsidy transferred to his account for its intended purpose, shall be warned or fined in the amount of two to four times the damage (income) caused as a result of an administrative offence.

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