



LEGISLATION UPDATE

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on the latest developments in the legislation

June, July, August
2022



Date, heading

Updates

9 June, 2022

New grounds of employment contract termination

On 9th June, amendments have been made to the Labor Code.

The following paragraphs have been added to Article 74 of the Labor Code regulating the grounds for terminating the employment contract in cases beyond the will of the parties:

Article 74.1-1. The following cases are grounds for considering the termination of the employment contract concluded with the employer, who is a natural person, based on the employee's application to the body exercising state control over compliance with labor legislation:

- if the employer, who is a natural person, dies, the natural person is considered missing or dead by legally valid court decision;
- if the employer, who is a natural person, is taken into custody by the court, or if he is deprived of liberty by a legally binding court decision;
- if the employer, who is a natural person, is considered to be incapacitated or limited in capacity based on a legally binding decision of the court;
- when a search for an employer who is a natural person is announced in accordance with the Codes of Civil Procedure and Criminal Procedure of the Republic of Azerbaijan;
- when an administrative removal outside the borders of the Republic of Azerbaijan is applied to a foreign and stateless employer in accordance with the Code of Administrative Offenses.

In addition, the new 1-2 clause stipulates that the termination of the contract in accordance with the 1-1 clause does not exempt the participants of the terminated employment relationship, as well as the heirs of the employer who is a deceased natural person from the performance of the obligations established by the labor legislation.

9 June, 2022

Amendments to the Tax Code

With the new amendment to the Tax Code, list of income types of natural persons that are exempt from income tax has been extended to include the following type of income:

"102.1.22-2. Shares publicly offered and traded on the regulated market for a period of 5 (five) years from February 1, 2023 and dividend paid on bonds, discount (the difference resulting from

24 June, 2022

New Law adopted

the placement of bonds below their nominal value) and interest income.”

The new Law “On Food Safety” has been adopted, which establishes the safety of food and food products in order to protect the life and health of people, as well as animals, as well as the protection of the rights of consumers in the territory of the Republic of Azerbaijan. With this, the Law “On Food Products” № 511-VIQD from 18th November 1999 is abolished.

Link to the newly adopted Law:

<https://e-qanun.az/framework/49857>

30 June, 2022

New regulations on non-cash payments

With the new amendments to the laws “On Public Health Protection”, “On Private Medical Activity”, “On Lotteries”, “On Physical Education and Sports” the following types of payments from now on can be made only in non-cash form:

- Payments for settlements exceeding 5.00 manat within one transaction for medical services provided by medical institutions;
- Payments for settlements exceeding 5.00 manat within one transaction for medical services provided by private medical institutions;
- Payments for settlements related to money payments (money investment) related to winnings and participation in games with a total amount of more than 3.000 manats determined by the Law “On lotteries”;
- Payments for winnings (prizes) with a total amount of more than 3.000 manats and cash payments (money deposits) related to participation in games determined by the Law “On Physical Education and Sports”.

5 July, 2022

Amendments and additions to the Law

New concepts have been added to Article 2 of the Law “Information, informatization and information protection”. A chapter on “Critical information infrastructure security” has also been added.

Link to further details:

<https://e-qanun.az/framework/3525>

27 July, 2022

New Law adopted

The new Law “On Investment activity” has been adopted, which determines the legal and economic basis of investment activity, guarantees the protection of investors' rights and legal interests.

18 August, 2022

Addition to the Civil Code with regards to the liquidation procedure

18 August, 2022

The new requirement during the liquidation of the legal entity

With this, the Law “On Investment activity” № 952-IQ from 13th January 1995 is abolished.

Link to the newly adopted Law:

<https://e-qanun.az/framework/50048>

On 18th August, amendments have been made to the Civil Code. The new obligation of the Liquidation commission shall be as following:

“The Liquidation Commission ensures that the documents created as a result of its activities and those of the liquidated legal entity and which are included in the archive document in accordance with the Law of the Republic of Azerbaijan “On the National Archive Fund” are handed over to the relevant state archive service organization at the location of the legal entity”.

On 18th August, amendments have been made to the Law “On State Registration and State Register of Legal Entities”.

The following part has been added to Article 16: The new document has been added to the list of documents that must be submitted by the liquidation commission (liquidator, liquidator) to the relevant executive authority of the Republic of Azerbaijan in order to remove the legal entity from the state register within 10 days after the division or use of the remaining property:

“ a certificate issued by the state archive service organization stating that the archive documents created as a result of its activity have been handed over to the same state archive service organization at the place of location of the the legal entity”

For more information, please contact:

“SKS” Plaza, 7th floor, 49 Fuzuli Str., AZ1014, Baku

Tel. (+99412) 4800088

office@bhm.az

www.bhm.az

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