

PwC Azerbaijan Times

Issue №6

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Amendments to the Law on Bankruptcy and Insolvency

New rules on rehabilitation have been added to the Law. Under the Amendments, rehabilitation of a debtor shall be carried out in accordance with rehabilitation plan. Debtor shall prepare the rehabilitation plan in 3 months from the date of decision on rehabilitation, which is concluded between debtor and creditor, and debtor shall present the plan to meeting of creditors. Rehabilitation plan and amendments thereto shall be held by the decision of meeting of creditors and approved by court.

The following legal consequences will occur from the date of holding the decision on launch of rehabilitation by court:

- a) By taking into account the rights of the administrator which are stated in Article 20.4 under the Law, it is prohibited for founders (participants), management and supervision bodies of debtor to use the properties belonging to the debtor and give orders on the properties;

b) Execution of court decisions held against the debtor is suspended;

c) It is not allowed to all creditors, founders (participants), members of management and supervision bodies of debtor to bring a case before court regarding insolvency;

d) Withdrawal from bank accounts of debtor regarding demands of all creditors and indisputable debts, as well as addressing demands to properties of the debtor are not allowed.

Amendments to the Law on Food products

With the Amendments, hygiene, veterinary and phytosanitary compliance of the activities of persons, who engages in food products, will be inspected, those persons will be registered in food safety and food products will be expertized. The persons will be included into state registry on food safety and they will be provided with state extraction.

Food Safety Agency will carry out the registration of persons engaging in food products industry.

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In addition, the activity of non-registered persons will be prohibited. Amendments will enter into force from 1 July 2018.

Amendments to the Law on Standardization

The following has been added to the Law: the State Standards for food products are only recommended demands and they will be applied voluntarily. Amendment will enter into force from 1 July 2018.

Amendments to Administrative Procedural Code

If an application is submitted to the authority established under relevant executive power (hereinafter referred to as the "Authority") against its administrative act (or regarding rejection of application) in a period of time which has been defined under Articles 73.1 and 73.2 of the Law on Administrative Proceeding (hereinafter referred to as "Period"), claim period stated under Articles 38.1 and 38.2 of the Code is suspended:

- till the end of Period intended for appealing against the decision (written response) of the Authority (in case there was not appeal to the Authority);
- till the date of submitting decision (written response) to applicant, in case of appealing to the upper Authority against the decision of the Authority.

Competences of the Authorities will be carried out by boards of appeal under central and local executive powers, the Board of Appeal under the President of the Republic of Azerbaijan and the President of the Republic of Azerbaijan, respectively.

Amendments to the Law on Banks

According to the Amendments, banks should give the data on each of borrowers to the centralized credit registry under Financial Market Supervision Authority ("the Authority") in accordance with the rules defined by the Authority. The rules on protection of bank

secrecy defined under the Law are applicable to the data collecting in centralized credit registry.

Amendments to Resolution of Cabinet of Ministers on Rates of customs duty on import-export in the Republic of Azerbaijan

With Amendments, the following is exempted from customs import duty:

- in accordance with confirming documents of Ministry of Energy of the Republic of Azerbaijan, equipment and materials imported to the country in the frame of reconstruction of huge oil refineries.

The Resolution will enter into force after 30 days from 1 May 2018 and will be in force until 31 December 2021.

Amendments to the Law on Currency regulation

With amendments, the following has been added to the Law:

- licensed persons on currency transactions should abide by the requirements defined under the Law on Against financing terrorism and legalization of properties and money amounts acquired by means of criminal activities.